



Item 1. Cover Page

PATIENT SQUARE CAPITAL, LP

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This brochure provides information about the qualifications and business practices of Patient Square Capital, LP ("Patient Square" or the "Firm"). If you have any questions about the contents of this brochure, please contact Patient Square at (650) 677-8100. 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 as an investment adviser does not imply that Patient Square or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Patient Square is also available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

The Firm filed its most recent Form ADV Part 2A on March 31, 2022. This annual amendment updates the description of the business of the Firm and its affiliates, including certain investment risks and conflicts of interest.

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Item 4. Advisory Business

Patient Square Capital, LP (hereinafter "Patient Square", "we," "us," "our" or the "Firm") was established in 2020 as a Delaware limited partnership with a principal place of business located in Menlo Park, CA. The principal owner of Patient Square is Jim Momtazee (the "Managing Partner"), and he is joined by nine highly complementary and experienced senior team members (collectively with Mr. Momtazee, the "Partners") who collectively have decades of experience and a long-standing shared professional history.

Patient Square currently provides discretionary investment advisory services to private investment vehicles (each a "Fund," and collectively, the "Funds") and additional private investment vehicles, including co-investment vehicles ("Co-Invest Vehicles"), and, potentially in the future, separately managed accounts (collectively with the Funds, the "Clients"). Investors in the Funds are referred herein as "Investors," or "Limited Partners." Where the context so requires, in certain circumstances, references to the Funds also includes Co-Invest Vehicles. Co-Invest Vehicles include vehicles established for individual or multiple investors seeking exposure to single or multiple investments, as well as vehicles where Patient Square has varying levels of investment discretion.

The Funds will generally be exempt from registration under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and will issue securities that will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act").

Patient Square will act as the alternative investment fund manager of the Funds for the purposes of the European Union (the "EU") Alternative Investment Fund Managers Directive (2011/61/EU) (the "Directive"), together with Commission Delegated Regulation (EU) No 231/2013 supplementing the Directive, as well as any similar or supplementary law, rule, or regulation as implemented in any relevant jurisdiction and the United Kingdom (the "UK") Alternative Investment Fund Managers Regulations 2013.

Each Fund's general partner (each, a "General Partner", and collectively, together with any future affiliated general partner entities, the "General Partners") has the power and authority to delegate the management of the respective Fund(s) to Patient Square, which is an affiliate of each General Partner. Each General Partner is subject to the Investment Advisers Act of 1940 (the "Advisers Act") pursuant to Patient Square's registration in accordance with SEC staff guidance. All references to the Firm include each General Partner.

The Funds will generally be private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "portfolio companies." Patient Square's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments will be made predominantly in non-public companies, investments in public companies are permitted. From time to time, where such investments consist of portfolio companies, the Partners, other senior personnel of Patient Square or their affiliates generally serves on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds will invest. Patient Square manages the assets of each Fund in accordance with the terms of each Fund's private placement memorandum, limited partnership agreements and other governing documents (collectively, "Governing Documents").

Patient Square does not currently provide investment advice to separately managed accounts nor does it provide investment advice to individual Investors. However, the Firm or its affiliates have entered, and expect to continue entering into, side letters (each a “Side Letter”) or similar agreements with Investors that may entitle such Investors to impose restrictions on investing in certain securities or types of securities. Even in such cases, investors in the Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund and such arrangements generally do not create an adviser-client relationship between Patient Square and any investor.

As of December 31, 2022, Patient Square has regulatory assets under management of approximately \$4.9B, all managed on a discretionary basis.

Item 5. Fees and Compensation

In general, Patient Square receives a management fee and a carried interest in connection with advisory services. Except as otherwise described in “Valuation Creation Function Personnel” and “Senior Advisors” below, Patient Square or other Patient Square entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will offset in whole or in part the Management Fees (as defined below) otherwise payable to Patient Square in accordance with the applicable Governing Documents. In addition, in certain circumstances, Patient Square is permitted to receive compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in the Funds also bear certain expenses, including expenses of Patient Square and its affiliates in accordance with the applicable Governing Documents.

Management Fees

Subject to the specific provisions in each Fund’s Governing Documents, a Fund will generally pay Patient Square, quarterly and in advance, a management fee (the “Management Fee”), although certain Funds (or investors in those Funds) will not be required to pay a management Fee. Management Fees will be calculated and charged on a basis that is generally not tied to the Fund’s then-current net asset value. From the effective date of the relevant Fund until a date specified in the Governing Documents (generally representing the end of the Fund’s investment period, the “Stepdown Date”), Management Fees generally will be 2% of aggregate Investor capital commitments (“Commitments”). After the Stepdown Date, Management Fees will generally be 2% of the aggregate unrecouped bridge financing and investment contributions made or payable to the Fund with respect to portfolio company investments that have not been disposed of less the aggregate amount of any permanent write downs of investments that have not been disposed of, in each case as determined on the first day of the period to which the Management Fee relates.

Additionally, after the Stepdown Date, where there has been a partial distribution, partial write-down or partial sale of an investment and the fair market value of the remaining portion of such investment following such event exceeds the total amount of investment contributions relating to such investment, Management Fees will generally not be reduced. As a result, the amount of Management Fees generally will not correspond with fluctuations in the Fund’s net asset value, including following the investment period, and will only be reduced, if at all, as a result of permanent write-downs required pursuant to the Fund’s Governing Documents. Except where the

Fund's Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments.

In many circumstances, the Management Fee base of such post-Stepdown Date Management Fees will include capitalized transaction-specific expenses of unrealized investments. Further, once paid or accrued, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or write-downs that occur partway through the relevant calculation period.

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

To the extent specified in a Fund's Governing Documents, Patient Square or another Patient Square entity will be permitted to receive certain supplemental fees and other amounts ("Transaction Fees") consisting of: (i) closing fees, commitment fees, monitoring fees, directors' fees, financial consulting fees, advisory fees and other similar fees paid to Patient Square with respect to any Fund investment; (ii) transaction fees paid to Patient Square with respect to a Fund investment; and (iii) break-up fees and litigation proceeds with respect to a Fund's transactions not consummated that are paid to Patient Square, in each case net of certain costs and expenses (including those described below) as set forth in the Governing Documents. Transaction Fees do not include, in any event, any amount received by a General Partner, certain members of the Value Creation Functions (as defined below) (the "VCF Personnel"), any Senior Advisor (as defined below), or any other person (whether directly or indirectly through persons affiliated with Patient Square or any of its affiliates) from a portfolio company, prospective portfolio company or other person (A) as reimbursement for expenses directly related to such portfolio company or prospective portfolio company, (B) as compensation for services provided to or in respect of any portfolio company or prospective portfolio company in connection with such portfolio company's or prospective portfolio company's business, (C) as compensation for services provided by a General Partner or other person as an employee of or in a similar capacity for such portfolio company or prospective portfolio company, including fees, incentive equity or other stock awards for services rendered by a General Partner or such other person to a special purpose acquisition company (or similar collective entity) that is a portfolio company or prospective portfolio company, (D) as compensation, including fees (including director's or consulting fees), incentive equity, other stock awards or other compensation described under "Value Creation Function Personnel" and "Senior Advisors" for services rendered by the Value Creation Functions or a member thereof, by a Senior Advisor (as defined below) to such portfolio company or prospective portfolio company (whether directly or indirectly through persons affiliated with Patient Square or any of its affiliates), or (E) any other amounts that an advisory board otherwise approves as not constituting Transaction Fees. A Fund's Governing Documents generally will provide that 100% of Transaction Fees received by the Firm and attributable to a Fund's investment in a portfolio company will be credited against Management Fees otherwise owed to the Firm. The portion of Transaction Fees (if any) allocable to co-investors will not reduce the Management Fee payable by a Fund. Similarly, in certain circumstances, co-investors or other parties have negotiated the right to share a portion of such fees from a particular investment and the above-described reduction will be applied after excluding any amounts paid to such persons. The receipt of such fees will not reduce the Management Fee payable by a Fund, which has also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable

portion on a fully diluted basis of any such fee and not the portion of any fee that relates to such co-investors or potential co-investors, which have the potential to be significant. Transaction Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services, and to the extent Transaction Fees are paid in kind (including through securities, option grants or other interest), Patient Square is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Transaction Fees will be offset only to the extent they are paid during the holding period of the relevant Fund. Similarly, in certain circumstances, Patient Square expects that co-investors, lenders, Senior Advisors, certain VCF Personnel, other third-party consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Patient Square and/or its affiliates generally have discretion over whether to charge Transaction Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Transaction Fees generally will give rise to potential conflicts of interest between a Fund, on the one hand, and Patient Square and/or its affiliates on the other hand.

Certain Governing Documents permit Patient Square to waive or agree to reduce the Management Fee with respect to a particular Fund or Investor. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to Patient Square, subject to certain giveback obligations as provided in the Governing Documents. A Fund's Limited Partners would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of Patient Square in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver could possibly result in an acceleration (or delay) of Investor capital contributions. Waived or reduced Management Fees are not subject to the Transaction Fee offset described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by Patient Square and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed, resulting in a net additional benefit to Patient Square.

Carried Interest

Subject to the specific provisions in each Fund's Governing Documents, Patient Square generally will receive a carried interest with respect to a Fund equal to 20% of all realized profits (net of complete write-offs for U.S. federal income tax purposes of unrealized investments and allocable expenses on realized investments and such complete write-offs) subject to an 8% per annum preferred return compounded annually. Patient Square is permitted to waive (subject to potential recoupment) or defer any carried interest distribution, and may impose conditions on its recoupment of such waived or deferred amounts. Such waivers or deferrals may result in adjustments to the allocations of tax items to the Limited Partners. The Co-Invest Vehicles are generally not charged carried interest, although Patient Square is permitted to charge carried interest on Co-Invest Vehicles in the future.

Other Information

Patient Square is permitted to exempt certain “exempted partners” in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Patient Square, certain VCF Personnel and/or Senior Advisors, and any other person designated by Patient Square such as “friends and family” of Patient Square or its personnel, or other Investors meeting certain qualification requirements based on Commitment size or other strategic or relationship factors. The applicable General Partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by Patient Square and/or its affiliates, or through other Funds which co-invest on substantially the same terms with a Fund, such as an “Executive Fund.” Patient Square retains flexibility to structure its compensation from Investors and expects in certain circumstances to agree to invoice an Investor directly for Management Fees and other compensation, rather than deducting such amounts from the Investor’s capital account(s).

Each Fund generally invests on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the applicable Governing Documents, over the term of the relevant Fund, and Investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Patient Square generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Patient Square or its affiliates.

In addition to the Management Fee and carried interest payable to Patient Square, each Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations relating to a Fund’s (and its subsidiaries’ and intermediate entities’) activities, alternative investment vehicles, portfolio companies or prospective portfolio companies, investments and business to the extent not reimbursed by a portfolio company or prospective portfolio company or applied to reduce Management Fees, including, but not limited to, the following: costs and expenses attributable to structuring, organizing, acquiring, managing, identifying, operating, holding, valuing, winding up, liquidating, dissolving and disposing of a Fund’s investments, legal, filing, accounting, auditing, investment banking, travel (including first-class (or equivalent) commercial airfare, private aircraft or other private air travel (so long as the cost does not exceed the cost of corresponding commercial travel (including first class (or equivalent) commercial airfare)) and car or ride sharing services), other modes of transportation, meals, lodging and entertainment and other meals and entertainment, printing, mailing and courier, legal, filing, capital raising, accounting fees and expenses, regulatory compliance (including compliance with any anti-money laundering or antiterrorist laws, rules, regulations, directives or special measures, the initial and/or preliminary registrations, filings and compliance obligations and other offering requirements contemplated by the AIFMD in any relevant European Economic Area (“EEA”) jurisdiction and the UK, and any administrative or other filings), insurance, Fund’s Advisory Board, Limited Partner meetings and related meal and entertainment expenses, interest, taxes, extraordinary expenses and other similar fees and expenses, including such fees and expenses, break-up or topping fees or other liabilities or obligations, incurred for transactions not consummated (“Broken Deal Expenses”), including Broken Deal Expenses relating to transactions that have been offered to co-investors, but not Patient Square expenses in connection with maintaining and operating its offices (such as compensation of its employees, rent, utilities and general office expenses). As a general matter, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective

investment are allocated among Investors within a Fund regardless of whether any individual Investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Patient Square and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. In certain cases, these or similar expenses (and/or Transaction Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, invoiced prior to work being performed and/or charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to a Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of a Fund. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to Investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices" below.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including without limitation legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds by their share of such expenses or obligations, without interest. While Patient Square believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Patient Square, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner permits certain Investors to co-invest in portfolio companies alongside one or more Funds, including through Co-Invest Vehicles, subject to Patient Square's related policies and the relevant Governing Documents and/or Side Letter(s). The terms of such co-investments, including whether the co-investment must bear expenses related to the co-investment, is determined on a case-by-case basis by Patient Square depending on the facts and circumstances of the co-investment. Transaction fees and expenses allocated to any Co-Invest Vehicle will be borne by the Limited Partners thereof in accordance with and to the extent provided by the Governing Documents of such vehicle (which fees will not be included as Fund-level Transaction Fees and consequently will not be shared with the Funds or the Limited Partners or offset or otherwise reduce the Management Fee). In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial to the Funds, in the judgment of Patient Square, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated

in such transaction. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, in certain circumstances, it will not be reimbursed separately by co-investors for use of the facility though Patient Square may pursue reimbursement in certain circumstances.

Value Creation Function Personnel

As more fully described in the Governing Documents, the Firm has established the “Value Creation Functions” comprised of the Transformation and Growth team (the “TAG Team”) and Patient Square Insights (“PSI”), the members of which are employees of, and/or independent contractors retained or engaged by Patient Square. The TAG Team is primarily focused on providing analytics, administration and governance, information and technology, mergers and acquisitions, strategy, operational, management, commercial, ESG and/or other value creation services to the Funds, any alternative investment vehicle or any portfolio company or prospective portfolio company of the Funds or any alternative investment vehicle (collectively, “TAG Team Services”). PSI will spend all or a portion of its time providing information, research, management, survey, publication, technical and other expertise (including scientific, legal, intellectual property and regulatory, data science, application and expert network development, key opinion leader recruitment, informatics and network curation and public policy expertise) to such entities (collectively, “PSI Services” and together with TAG Team Services, “VCF Services”). Members of the Value Creation Functions are also expected to serve in management or governance roles with respect to portfolio companies.

As compensation for their services, members of the Value Creation Functions are expected to receive fees (including director’s or consulting fees), incentive equity or other stock awards and advances, loans and other variable compensation (including variable retainers, salaries and guaranteed payments), and be reimbursed (directly or indirectly through entities established by or affiliated with Patient Square through which VCF Services are provided) for (i) overhead, such as employee benefits, insurance, paid time off, and (ii) airfare, lodging, meals, entertainment, gifts and certain other associated out-of-pocket costs incurred in connection with providing such services. Any such compensation, expense reimbursements and other amounts received by certain VCF Personnel generally will be paid by a portfolio company or prospective portfolio company or directly by the Funds or alternative investment vehicle (which payments will not be included as “Transaction Fees” and consequently will not be shared with the Funds or the Limited Partners of such Fund or offset or otherwise reduce the Management Fee regardless of whether the provider of VCF Services is an employee or affiliate of the Firm).

Senior Advisors

In addition, the Firm will utilize certain senior advisors (“Senior Advisors”). Senior Advisors are generally expected to spend all or a portion of their time providing advisory services to (or with respect to) the Funds or their related entities, including as related to the sourcing, identification, acquisition, holding, improvement (including operational improvement) and disposition of portfolio companies. Senior Advisors typically are independent contractors, and generally are not employees of the Firm or its affiliates; although Patient Square or its affiliates may employ Senior Advisors from time to time. Senior Advisors are also expected to serve in management or governance roles with respect to portfolio companies. As compensation for their services, Senior Advisors are expected to receive fees (including director’s or consulting fees), incentive equity or other stock awards and advances, loans and other variable compensation (including variable

retainers, salaries and guaranteed payments), and be reimbursed (directly or indirectly through entities established by or affiliated with Patient Square through which Senior Advisor services are provided) for (i) overhead, such as employee benefits, insurance, paid time off, and airfare, lodging, meals, entertainment, gifts and certain other associated out-of-pocket costs incurred in connection with providing such services. Any such compensation, expense reimbursements and other amounts received by certain Senior Advisors generally will be paid by a portfolio company or prospective portfolio company or directly by the Funds or alternative investment vehicle (which payments will not be included as “Transaction Fees” and consequently will not be shared with the Funds or the Limited Partners of such Fund or offset or otherwise reduce the Management Fee regardless of whether the Senior Advisor had they been paid to Patient Square employees or affiliate of the Firm).

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

Patient Square currently manages Funds that pay performance-based compensation as described in Item 5. It does not currently manage Clients that do not pay performance-based compensation, although the Firm generally has the authority to waive carried interest with respect to certain exempted partners as described under “Fees and Compensation.” Additionally, to the extent Patient Square in the future manages Clients with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Patient Square personnel are assigned varying percentages of carried interest from Clients, Patient Square and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Clients from which they are entitled to receive a higher carried interest percentage.

Performance-based allocation arrangements have the potential to create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement, although we generally consider performance-based allocation arrangements to better align our interests with those of the Investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals.

Further, Patient Square has adopted policies and procedures that, among other things, seek to ensure in good faith that investment opportunities are allocated fairly and equitably over time, and the process for identifying and managing conflicts of interest are addressed in the applicable Client’s Governing Documents.

Item 7. Types of Clients

As described in Item 4 above, Patient Square provides investment advice to the Funds which generally are Delaware limited partnerships that are exempt from registration as an investment company under the Investment Company Act, and whose interests are not registered under the Securities Act. Investors in the Funds include institutions, sovereign wealth funds, pension funds, endowments, foundations, family offices, health systems, consultants, private wealth platforms, insurance companies, high net-worth individuals, trusts funds of funds, and other sophisticated investors that meet certain qualification requirements. The Funds generally have a minimum investment amount of \$10,000,000 for third-party Investors, and the Funds’ interests are offered

and sold solely to qualified purchasers (or qualified knowledgeable Patient Square personnel), which may be waived on a case-by-case basis subject to Patient Square's discretion.

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

General

The investment strategies Patient Square pursues are speculative and entail substantial risks, and each Investor should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of the Funds will be achieved. The descriptions set forth in this Brochure of the specific advisory services Patient Square offers to the Funds and investments made on behalf of the Funds should not be understood to limit in any way Patient Square's investment activities.

Investment Strategy and Methods of Analysis

Patient Square employs a flexible but focused investment strategy broadly across the health care industry, pursuing opportunities in growth-oriented health care businesses regardless of their stage. Consistent with the Partners' previous experience, the Firm targets the following subsectors: biopharmaceuticals, pharmaceutical value chain, medical devices and diagnostics, health care providers, and technology-enabled services. The Firm intends to focus on both private equity and growth-stage companies that are driving innovation and/or efficiency in the health care industry. These investment areas are consistent with the Partners' previous experience and characterized by a higher premium on relationships for differentiated deal access as well as being less competitive areas of the market. The team members have experience with equity investments as small as \$30 million to over \$1 billion to support transactions covering the spectrum from platform builds and growth financings to large public to private and secondary private equity buyouts.

Patient Square seeks to partner with outstanding management teams to support the growth of products, services, and technologies that improve health. In the Firm's view, high-quality investments in health care share a number of characteristics, including: (i) premier management teams, (ii) strong revenue growth potential, (iii) high rates of return through deploying capital in accretive M&A, infrastructure development, and organic growth, (iv) strong downside protection, (v) attractive valuations, and (vi) a highly aligned culture and mission to improve the health and wellness of patients and consumers. A critical element of the Firm's investment approach involves the pursuit of value enhancement through market expansion, scientific and technological development, and operational improvement.

Risk of Loss

Investing in securities involves risk of loss that Investors should be prepared to bear.

The descriptions contained below are a brief overview of different associated risks related to the Firm's investment strategy. However, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds. An investment involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who

have limited need for liquidity in their investment, and who have met the conditions set forth in the applicable Fund's Governing Documents.

There can be no assurances that the Funds will achieve their respective investment objectives. An investment carries with it the inherent risks associated with investments in privately traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. The following does not purport to list all of the risks applicable to an investment in a Fund. A Fund's Governing Documents provide a more fulsome list of such risks, and each prospective Investor should carefully review the applicable Fund's Governing Documents and the documents referred to herein before deciding to invest in a Fund.

Certain Risks Related to the Funds and their Terms:

General Business Risks. The Funds' investment portfolios are expected to consist primarily of securities issued by a limited number of privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses, including a complete loss of capital.

Concentration of Investments. The Funds will participate in a limited number of investments and investments in one industry or one industry segment or within a short period of time. As a result, the Funds' investment portfolios could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect a Fund's aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds are likely to invest in fewer portfolio companies and thus be less diversified. If a Fund co-invests with another investment fund or investment vehicle (including any vehicle managed by Patient Square), a Limited Partner invested in such other investment vehicle would have exposure to a single portfolio company through more than one fund, potentially increasing such Limited Partner's losses; conversely, a Fund would have less exposure than if such Fund did not co-invest, potentially diluting returns. Furthermore, due to Patient Square's robust investment pipeline, it is possible the Funds draw down capital, at least initially (and permanently if the Funds are unable to raise sufficient capital), at an accelerated pace, which may limit capital availability for future investments, including opportunistic investments, as well as follow-on investments for existing investments and unanticipated liabilities and contingencies, which could adversely affect the investment results of a Fund.

The Funds intend to concentrate their investments in companies operating in the health care industry. Concentration in select industries involves risks greater than those generally associated with broadly diversified acquisition funds, including significant fluctuations in returns based on market perception of the selected industries. Instability, fluctuation or an overall decline within the health care industry will likely not be balanced by investments in other industries not so affected. The Funds' portfolio companies will compete in this volatile environment. There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Moreover, competition can result in significant downward pressure on pricing. Instability, fluctuation or an overall decline within the health care, consumer, specialty industrials and business services industries will likely not be balanced by investments in other industries not so affected. In the event that one or more of such sectors as a whole decline, returns to Limited Partners may decrease.

In addition, it is not always clear, particularly in the health care industry, where a company is based geographically. For example, many health care businesses, particularly in the biotech and pharmaceutical subsectors, have complex structures (often for tax reasons) with entities, employees, assets (including intellectual property) and revenues (if any) in different regions and countries around the world, including the United States. In such cases, Patient Square will use its good faith discretion to determine the applicability of any investment restrictions under the Governing Documents as well as in considering the economic exposure of the Funds to regions or geographies. In doing so, Patient Square will rely on information known to it at the time of investment, which may exclude certain available information, which if known at that time, could have resulted in different decisions being made. Patient Square will not be liable to the Funds for making these determinations in accordance with the standards set forth in the relevant Governing Documents and will not be required to take remedial actions to address potential overconcentration in light of information that becomes subsequently known to Patient Square after an investment is made. The foregoing determinations could result in the Funds being over- or under-exposed to a particular country or region and change the risk profile for the Limited Partners.

Future and Past Performance; Loss of Principal; Lack of Operating History. The Funds consist of newly organized entities that have no prior operating history or track record. Moreover, the initial core team responsible for investing the Funds' capital is newly assembled and has no, or only in a few cases, investing and operational experience together as a team. Accordingly, the Funds do not have performance history for a prospective Investor to consider. An Investor should only invest in a Fund as part of an overall investment strategy, and only if the Investor is able to withstand a total loss of its investment in a Fund.

Reliance on Patient Square and Portfolio Company Management. Control over the conduct and operation of the Funds will be vested entirely with Patient Square, and the Funds' future profitability will depend largely upon the business and investment acumen of the Partners. The loss or reduction of service of any one of such persons could have an adverse effect on the Funds' ability to realize their investment objectives. In addition, in the future one of the Partners could manage other investment funds besides the Funds, which could create conflicts of interest in the allocation of the time and attention of such person to the Funds. Limited Partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of Patient Square. In addition, certain changes in Patient Square or circumstances relating to Patient Square may have an adverse effect on the Funds or one or more of their portfolio companies, including potential acceleration of debt facilities.

Although Patient Square will monitor the performance of the Funds' investments, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the relevant Fund's objectives. Furthermore, the success of many health care companies is highly dependent on the experience, abilities and continued service of key executive officers and key scientific personnel. If these companies lose the service of any of these officers or key scientific personnel, their future success could be undermined. The success of many health care companies also depends upon their ability to attract and retain other highly qualified scientific, managerial, sales and manufacturing personnel and their ability to develop and maintain

relationships with relevant members of the health care community. Competition for such personnel and relationships is intense and many of these companies compete with each other (and other companies and organizations) for such personnel and relationships. There is no certainty that any of these health care companies will be able to continue to attract and retain qualified personnel or develop and maintain relationships with relevant members of the health care community.

Unspecified Investments. A purchaser of interests in a Fund must rely upon the ability of Patient Square to identify, structure and implement investments consistent with such Fund's investment strategy and policies. The activity of identifying, completing and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory, or political environment. There can be no assurance that Patient Square will be able to locate or a Fund will be able to complete portfolio companies that satisfy such Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that such Fund will be able fully to invest its committed capital.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. However, Limited Partners will generally be required to bear Management Fees through the investment period of a Fund based on the entire amount of the Limited Partners' Commitments and other expenses as set forth in the Governing Documents.

Competition for Investments. The Funds expect to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Furthermore, the current market environment may also cause new entrants (including established firms expanding their strategies) to launch new or adjacent health care-focused investment funds and strategies. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than Patient Square, the Funds and their affiliates. The Firm expects that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which investments can be made. Participating in auctions will also increase the pressure on the Funds with respect to pricing of transactions. For example, given the increasingly competitive environment, Patient Square may find it more difficult to obtain buyer- favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund or the ability to terminate the transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, Patient Square has found competitors for investment opportunities willing to offer seller-favorable terms in a transaction, such as providing a "reverse break-up fee" and fund level guarantees. If a financing-related closing condition is not available to a Fund or if a Fund is required to provide a reverse break-up fee or guarantee in connection with a potential investment, such Fund may become obligated to consummate a transaction on less favorable

terms or may be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made. To the extent that the Funds encounter competition for investments, returns to Limited Partners may decrease including as a result of higher pricing, foregoing opportunities, or negotiating fewer transactional protections in order to remain competitive. Additionally, the Funds may incur bid, due diligence, negotiating, consulting or other costs on investments that may not be successful. As a result, the Funds may not recover all of such costs, which would adversely affect returns.

Over-Commitment. In order to facilitate the acquisition of a portfolio company or investment, the Funds may make (or commit to make) an investment in such company or investment with a view to selling or rebalancing a portion of such investment to or with co-investors or other persons prior to or within a brief period after the closing of the acquisition. In such event, the Funds will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the Funds may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company or investment or may realize lower than expected returns from such investment.

Investments Longer than Term. The Funds may make investments that may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that such Fund will be dissolved and wound up, either by expiration of the Fund's term or otherwise. Although the Firm expects that investments will be disposed of prior to termination or be suitable for in-kind distribution at termination and the Firm has a limited ability to extend the term of a Fund, a Fund could be required to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of termination. In addition, the business of a Fund includes the realization and distribution of the Fund's assets during a wind down of the Fund's operations. Therefore, while upon the dissolution of a Fund, Patient Square will be required to use commercially reasonable efforts to reduce to cash and cash equivalents such assets of such Fund as the Firm deems it advisable to sell, subject to obtaining fair value for those assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the Limited Partners will occur.

Material Non-Public Information. In the course of its operations, as well as in connection with officerships or directorships of Patient Square personnel, VCF Personnel and Senior Advisors, Patient Square frequently comes into possession of confidential or material, non-public information. Therefore, Patient Square and its affiliates may have access to material, nonpublic information that may be relevant to an investment decision to be made by the Funds. Consequently, the Funds may be restricted from initiating a transaction or selling an investment which, if such information had not been known to them, may have been undertaken on account of applicable securities laws or Patient Square's internal policies. Due to these restrictions, the Funds may not be able to make an investment that they otherwise might have made or sell an investment that it otherwise might have sold, which could result in lower overall returns to the Funds.

In addition, Patient Square receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, and other metrics. This information may, in certain instances, include material non-public information received or generated in connection with efforts

on behalf of a Fund's investment (or prospective investment) in a portfolio company. As described above, the receipt of such information may restrict such Fund from transactions in the relevant company. Such information will also be periodically received in the ordinary course as a result of Patient Square personnel serving as directors of a public portfolio company and could cause the Fund to be restricted from transactions in the relevant portfolio company more often than if Patient Square personnel did not serve in such positions, which could have an adverse effect on Fund performance if Patient Square desired to engage in such transactions (including disposing of an investment in a timely manner). Patient Square has in the past and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. Patient Square has used and expects in the future in certain instances to use this information in a manner that provides a material benefit to Patient Square, its affiliates, or to other Funds without compensating or otherwise benefitting such Fund. In addition, Patient Square may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Patient Square has in the past utilized and is likely in the future to utilize such information to benefit Patient Square, its affiliates or particular facts and circumstances but does not intend to specifically disclose such conflicts to such Fund.

Patient Square is expected to come into possession of material non-public information related to special purpose acquisition companies ("SPACs"), SPAC issuers and private companies that are either SPAC targets or which have become publicly listed through a combination with a SPAC. For example, Patient Square personnel currently do, and may in the future be offered the opportunity to, participate on a SPAC issuer's board of directors, which participation will in many cases provide access to material non-public information. Patient Square could, as a result of such information, be prohibited from effecting trades on behalf of the Funds due to contractual "stand-still" obligations and/or other confidentiality obligations and thereby potentially limiting the universe of securities that Patient Square is permitted to purchase or potentially limiting Patient Square's ability to sell such securities on behalf of the Funds until the information has been publicly disclosed or is no longer deemed material. Patient Square could also be prohibited from voting on behalf of the Funds on a potential De-SPAC Transaction due to its access to material non-public information. If Patient Square declines access to material non-public information regarding a SPAC issuer, Patient Square will, as a result, base its investment decisions with respect to assets of such SPAC issuer solely on public information, thereby limiting the amount of information available to Patient Square in connection with such investment decisions. These limited abilities to trade investments could adversely affect the investment results of the Funds.

Risks in Identifying and Realizing Breakout Potential. The success of each Fund's investment strategy will in large part depend on the ability of such Fund to identify and realize breakout potential in businesses based on operational, market or other attributes identified during diligence. This activity entails a high degree of uncertainty and doing so may divert the attention of key personnel and disrupt normal business. There can be no assurance that the Funds will be able to successfully accomplish this objective and failing to do so will negatively impact returns.

ESG Matters. Patient Square maintains an ESG Policy and intends to apply the policy to the Funds' investment activities, consistent with and subject to any applicable legal, regulatory, fiduciary or contractual duties. The ESG Policy may cause the Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than it would have made in the absence of the ESG Policy. Additionally, ESG factors are only some of the many factors Patient Square may consider in making an investment, and

there is no guarantee that Patient Square will make investments in companies that create positive ESG impact or that consideration of ESG factors will enhance long-term Limited Partner value and financial returns. Similarly, in evaluating a company, Patient Square often depends upon information and data provided by the company or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause Patient Square to incorrectly assess the company's ESG practices and/or related risks and opportunities. In addition, Patient Square's ESG programs and policies may change over time. In the event that Patient Square on occasion presents material ESG reports to Investors, the issuance of such reports will be based on Patient Square's sole and subjective determination of whether a material ESG issue has occurred in an investment. Further, Patient Square is not obligated to produce such reports.

ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks, methodologies, and tracking tools being implemented by other asset managers. The act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by Patient Square or a third-party ESG advisor or any judgment exercised by Patient Square will reflect the beliefs or values of any particular Limited Partner or align with the practices of other asset managers or with market trends. Therefore, Patient Square's approach to ESG integration may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. Patient Square does not intend to independently verify certain of the ESG information reported by the portfolio companies. Further, Patient Square may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations. To the extent Patient Square engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG performance of the investment.

Finally, there is also growing regulatory interest, particularly in the United States, UK and European Economic Area (which may be looked to as models in growth markets), in improving transparency around how asset managers, amongst others, define, measure and disclose impact of ESG factors on the performance of the Funds.

Patient Square's ESG program could become subject to additional regulation in the future, and Patient Square cannot guarantee that its current approach will meet future regulatory requirements.

Dynamic Investment Strategy; Investment Restrictions. While Patient Square generally intends to seek attractive returns for the Funds primarily through making private equity investments as described herein, Patient Square may pursue additional investment strategies and may modify or depart from its initial investment strategies, investment process and investment techniques as it determines appropriate. Patient Square reserves the right to pursue investments outside of the industries and sectors that the Partners have previously made investments or have internal operational experience. The Funds are also permitted to invest in public equity, public and private debt securities (including debt securities of portfolio companies held by other Clients), and hybrid, subordinated and preferred instruments.

While this Brochure contains a description of the types of investments that the Funds are expected to make, many factors may contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulation as they affect various industries and changes in the political or social situations in particular countries. Subject only to each Fund's

investment restrictions in the relevant Governing Documents, such Fund may employ other investment techniques and invest in other instruments that Patient Square believes will help achieve such Fund's investment objective, whether or not such investment techniques or instruments are specifically described herein. Patient Square will not be required to select any particular types of permitted investments and reserves the right to refrain from making certain types of permitted investments on behalf of the Funds, whether or not such investments are specifically described in this Brochure, and without notice to Limited Partners. Such investments may entail risks not described herein. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or structural shortcomings which could result in unsuccessful investments and, ultimately, losses to the Funds. In addition, any new investment strategies or techniques developed by the Funds may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Funds.

Subscription Lines. The Funds are authorized and expect to enter into a subscription line with one or more lenders in order to finance a Fund's operations (including the acquisition of the Fund's investments and the payment of expenses). Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of Patient Square's right to call capital from the Limited Partners, Limited Partners would likely be obligated to contribute capital on an accelerated basis by the lender or otherwise if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against a Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors. Patient Square reserves the right to employ the subscription line to provide credit support (including through the use of guarantees and letters of credit) and loans, directly or indirectly, to underlying portfolio companies. While this may result in a lower cost of capital for the portfolio company than it may be able to obtain independently, ultimately, a Fund would face direct credit risk (i.e., recourse to the lender) as a result.

In addition, Fund-level borrowing will result in incremental Fund expenses incurred by a Fund that will be borne by Investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintaining, renegotiation or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the Limited Partners and the terms of the Governing Documents, it could be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the Funds' cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Funds' reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of credit typically delays the need for Limited Partners to make certain contributions to the Funds, which generally would enhance the Funds' performance figures (particularly because internal rate of return calculations depend on the amount and timing of capital contributions), and thereby benefit Patient Square and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and

the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the Funds nor Investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities. Moreover, because following the investment period, the calculation of the Management Fee includes aggregate unrecouped bridge financing and investment contributions made (or payable to the Funds pursuant to capital call notices then issued or to be issued to repay indebtedness incurred by the Funds and used to fund an investment), Patient Square will have an incentive to use additional subscription line borrowings to increase its Management Fee income, which could present additional risk to the Funds.

Conversely, Patient Square will face an incentive to not employ the subscription line when it perceives that the overall cost of borrowing exceeds the rate of anticipated value accretion at the relevant underlying portfolio investment or its other uses of funds. This may result in more frequent capital calls from, and potentially a lower internal rate of return, to the Limited Partners.

A credit agreement could contain other terms that restrict the activities of the Funds and the Limited Partners or impose additional obligations on them. For example, a subscription line could impose restrictions on Patient Square's ability to consent to the transfer of a Limited Partner's interest. In addition, in order to secure a subscription line, Patient Square is authorized to request certain financial information and other documentation from Limited Partners to share with lenders. Patient Square will have significant discretion in negotiating the terms of any subscription line and likely will agree to terms that are not the most favorable to one or more Limited Partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows Patient Square to acquire investments and pay Fund expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had Patient Square called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The Funds also anticipate that they will utilize Fund-level borrowing when Patient Square expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses. Furthermore, borrowings by a Fund could cause a portion of such Fund's investments to be considered debt-financed and some or all of a U.S. tax-exempt Investor's distributive share of

income from such Fund (including dividends, interest and capital gains) could be Unrelated Business Taxable Income as defined in the U.S. Internal Revenue Code.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

NAV Facilities. The General Partners reserve the right to cause a Fund and/or one of its subsidiaries to enter into net asset value-based facilities (each such facility a "NAV Facility"). In connection with such transactions, the relevant General Partner may pledge all or a portion of a Fund's portfolio companies or other assets, including on a cross-collateralized basis, without taking into account the potential for non-pro rata investments by Limited Partners as a result of any particular Limited Partner's opt-out rights. A Limited Partner may also be required to fund amounts to repay borrowings under a NAV Facility incurred in connection with an investment or managing the Fund's investment portfolio even if such Limited Partner did not participate in the relevant investment(s) in connection with which such borrowings were incurred. NAV Facility lenders may foreclose on a Fund's assets if the Fund fails to repay the amounts borrowed under a NAV Facility or experiences another event of default.

Bridge Financing. The Funds are authorized to provide bridge financing to facilitate portfolio company investments, as set forth in the Governing Documents. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of a Fund retroactive to the date of the closing of such financing. As a result, a Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under a Fund's investment limitations, certain of which exclude bridge financing investments to the extent provided in the Governing Documents.

Recycling; Reinvestment. A General Partner has the right to recall amounts returned to Investors as repayment or recoupment of capital contributions with respect to an investment or payment of expenses (including Management Fees) for future Fund investments and expenses (including Management Fees), subject to certain limitations set forth in the relevant Governing Documents. Accordingly, during the term of a Fund, an Investor may be required to make capital contributions in excess of its Commitment and to the extent such recalled or retained amounts are reinvested in new investments, an Investor will remain subject to investment and other risks associated with such investments and such amounts will, in certain circumstances, increase the Management Fees and carried interest received by a General Partner, creating an incentive to recall or reinvest capital rather than to permanently return it to Investors.

Fund Expenses; Portfolio Company Charges. The Funds will pay and bear all expenses related to their operations, including Management Fees and the costs of holding, monitoring, maintaining and disposing of portfolio companies, including investment banking fees and consulting fees, whether or not the Funds makes any profits. While it is difficult to predict the future expenses of a Fund, such expenses may be substantial and may surpass a Fund's operating income. The amount of these Fund expenses will reduce the actual returns realized by Limited Partners on their investment in such Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Fund for investments). The Firm expects to call sufficient capital from Limited Partners in relation to a Fund's investments in amounts to cover the acquisition amounts plus to establish reserves for estimated or anticipated Fund expenses associated with the acquisition, including expenses related to the operation of the portfolio company, as well as liabilities or contingencies, including general reserves for unspecified contingencies. Additionally, the Firm may cause the pre-payment or deferral of applicable Fund expenses by a Fund or such Fund's portfolio companies, including by using such portfolio company's free cash flow or working capital or by capitalizing such expenses into the purchase or sale price of such portfolio company. These factors may impact the amount and/or timing of distributions to the Limited Partners. Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. The Firm believes it has an incentive to act reasonably in approving any reserves due to the structure of its carried interest; however, the amount of the Fund expenses ultimately called or called at any one time may exceed expectations. Furthermore, the Management Fees paid by the Funds may be used by Patient Square to subsidize the activities of other Patient Square Accounts (as defined below), in the event such Patient Square Accounts have not yet been activated and are not paying or accruing Management Fees; as a result, a Fund and its Limited Partners may not receive the entire benefit of the Management Fee.

In addition, the Funds, the Firm, the Value Creation Functions and the Senior Advisors are permitted to charge a portfolio company and/or a prospective portfolio company for any costs (including those of the Value Creation Functions and the Senior Advisors) to the extent the Firm reasonably determines such costs are attributable to such portfolio company and/or prospective portfolio company or a Fund's investment or prospective investment therein or liquidation thereof. However, the Funds will generally directly bear all such costs in respect of portfolio companies in which such Fund does not hold a controlling interest, causing such Fund to bear a disproportionate share of those costs vis-à-vis other equity holders of those portfolio companies.

Transfer by General Partner. To the extent Patient Square, a General Partner, their partners and/or their respective affiliates commit to make a direct or indirect investment in or alongside the Funds, a participation in or a portion of such investment may thereafter be transferred to others, subject to those express limitations thereon in the Governing Documents.

Effects of Excuse and Exclusion. A Limited Partner's participation in an investment may be limited by virtue of Patient Square's right to exclude a Limited Partner from, or a Limited Partner's right to be excused from, participating in certain investments as set forth in the Governing Documents, thereby increasing the participation of other Limited Partners. As a consequence of one or more Limited Partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of even one investment by the Funds. The performance of one or more substantial investments may have a significant impact on the overall performance of the Funds.

Limitation of Recourse and Indemnification. The Governing Documents for each Fund limit the circumstances under which a General Partner and its affiliates will be held liable to a Fund, except

that nothing in the Governing Documents shall constitute a waiver of fiduciary duties that are non-waivable under the Advisers Act. As a result, Investors could have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, each Fund's Governing Documents requires a Fund to indemnify their respective General Partners and a General Partners' respective general partners, Patient Square, their respective owners, members, managers, shareholders, partners, directors, officers, advisors, assigns, representatives and affiliates, agents and employees, all of their respective successors, heirs and assigns, and the members of the Advisory Board, for liabilities incurred in connection with the affairs of a Fund and otherwise as provided in the Governing Documents. Such liabilities could be material and have an adverse effect on the returns to Investors. For example, in their capacity as directors of portfolio companies, the partners or affiliates of a General Partner could be subject to fraudulent transfer, derivative or other similar claims brought by shareholders or creditors of such companies. The indemnification obligation of a Fund will be payable from the assets of such Fund, including the unfunded Commitments of the Investors. If the assets of a Fund are insufficient, a General Partner is authorized to recall distributions previously made to the Limited Partners (subject to certain limitations set forth in the relevant Governing Documents). It is possible that these liabilities of a Fund are not resolved prior to the date that a Fund will be dissolved and wound up. Furthermore, as a result of the provisions contained in the Governing Documents, the Limited Partners will have a more limited right of action in certain cases than they would in the absence of these provisions. It should be noted that a General Partner is authorized to cause a Fund to purchase insurance for a Fund, a General Partner, Patient Square and their employees, agents and representatives or other indemnitors exposed to liability prior to a Fund.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by (i) Patient Square's employees, (ii) portfolio company directors, officers or employees, (iii) Senior Advisors, (iv) members of the Value Creation Functions and (v) agents and service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts of the Funds and/or the Firm and cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). These activities may result in reputational damage, litigation, business disruption, market or industry segment volatility, and/or financial losses to the Funds. Patient Square has controls and procedures through which it seeks to minimize the risk of such misconduct occurring; however, no assurances can be given that such misconduct will be able to be identified or prevented.

Liability of the Limited Partners. Unlike the Firm, which has unlimited liability for all debts and obligations of the Funds, the total liability of a Limited Partner to the Funds is generally limited to the amount of its Commitment, except in certain circumstances whereby such Limited Partner was involved in the management or otherwise engaged in the conduct of the business of a Fund or externally represented a Fund. Any Limited Partner's Commitment is susceptible to risk of loss as a result of any liability of such Fund irrespective of whether such liability is attributable to an investment to which such Limited Partner contributed any capital. If a Fund is otherwise unable to meet its obligations, the Limited Partners may, under applicable law, be obligated to return to such Fund or to creditors whose interests have been injured distributions previously received by them pursuant to any rules regarding fraudulent conveyances. In addition, a Limited Partner may be liable under applicable bankruptcy law to return a distribution made during a Fund's insolvency.

Disclosure of Confidential Fund and Investor Information. The Limited Partners are expected to include entities that are subject to public disclosure requirements, including state public records or similar freedom of information laws which may compel public disclosure of confidential information regarding the Funds, their investments and their Investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. The Funds may incur expenses in connection with responding to any such disclosure requests, even if the Funds ultimately succeed in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that the Limited Partners will have pursuant to the Governing Documents to maintain the confidentiality of a Fund's information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise. Patient Square may also in certain circumstances, in an effort to protect any such potential disclosure, withhold all or any part of the information otherwise to be provided to such a Limited Partner, as more fully described in the Governing Documents. There can be no assurance that such information will not be disclosed by a Fund, Patient Square, their affiliates and personnel, portfolio companies or services providers to any of them including to comply with laws, regulations or policies to which they are or may become subject. In addition, the SEC requires private fund advisers, such as Patient Square, to file additional reports with the SEC regarding their funds and investment activities on a confidential basis. Any public disclosure of a Fund's information could have an adverse effect on such Fund and its Investors, for example, by affecting the Fund's competitive advantage in finding attractive investment opportunities.

Litigation. In the ordinary course of its business, Patient Square, the Funds, their portfolio companies and their respective affiliates may be subject to litigation from time to time. Litigation and other proceedings may include, but are not limited to, actions relating to breach of fiduciary duty, appraisal, intellectual property, international trade, commercial arrangements, product liability, environmental, health and safety, joint venture agreements, anti-corruption, anti-money laundering, labor and employment or other harms resulting from the actions of individuals or entities outside of the Firm's control. Under the Governing Documents, the Funds will generally be responsible for indemnifying the Firm and certain of its employees, officers, and affiliates for costs they may incur with respect to such litigation not covered by insurance. The outcome of such proceedings may materially adversely affect the value of the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Firm's and its partners' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Partnership Expenses. Under the Partnership Agreement, Limited Partners could be required to make additional cash contributions to the Partnership to pay Partnership Expenses. All such amounts are considered to be outside of the Subscriber's Commitment for all purposes under the Partnership Agreement and the Subscription Agreement.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by such Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, a Fund generally will not be able

to return capital or realize gains, if any, on an investment in a privately-held entity until the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment, and the Firm is not required to realize an investment at any particular point in time, including after the end of such Fund's scheduled term. Before such time, there may be no current return on the investment. If a Fund continues to hold illiquid investments at the end of its scheduled term, the term could require extension. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the Firm) could exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

No Market for Interests; Restrictions on Transfer; No Right of Withdrawal. Interests in a Fund may not generally be transferred, sold, assigned, pledged or otherwise encumbered without the prior written consent of Patient Square, which may be withheld pursuant to the Governing Documents, and the volume of transfers permitted in any calendar year may be restricted in order to comply with certain safe harbors established under applicable tax law and regulations. Voluntary withdrawals from the Funds will not be permitted except in very limited circumstances generally involving situations where retaining an interest in a Fund would violate certain laws or regulations or otherwise cause such Fund to experience material adverse effects. In addition, interests in the Funds are not redeemable. There will be no public market for such interests, and none are expected to develop. Interests in the Funds have not been registered under the Securities Act, the securities laws of any U.S. state or the securities laws of any non-U.S. jurisdiction and therefore cannot be resold 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 of the interests in the Funds will ever be effected. Limited Partners may not be able to liquidate their investments prior to the end of the relevant Fund's term and must be prepared to bear the risks of an investment in such Fund for an indefinite period of time.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund to make follow-on investments may require Limited Partners to contribute additional capital following the investment period, including during a Fund's liquidation and final winding up; alternatively, any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest.

In-Kind Distributions. It is possible that under certain circumstances, the Firm may cause the Funds to make in-kind distributions of investments for which there is no readily available public market or which may be subject to substantial restrictions on sale or transfer, making those investments be difficult to value. Limited Partners may face difficulty liquidating the investments received at a price or within a time period that is determined thereby to be ideal, and significant administrative burden may be involved. If the recipients of such in-kind distributions decide to liquidate the investments within a short period of time, an adverse impact on the price of such investments could result. Limited Partners will have no guidance from the Funds or the Firm with

respect to disposition of investments distributed in kind (including as concerns the timing of such disposition). The price at which Limited Partners may sell such investments may be lower than the value of such investments determined pursuant to the relevant Governing Documents, including the value used to determine the amount of carried interest accruing to the Firm with respect to such investment. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located. Furthermore, the Firm has the ability to receive a distribution in kind and, depending on the tax and other attributes of the investment, including the holding period thereof and the remaining Fund term, will be incentivized to take such distribution in kind, while the Limited Partners receive only cash proceeds. In certain circumstances, Patient Square may wish to hold interests in investments beyond the life of a Fund. This may result in a misalignment of interests between the Firm and the Limited Partners as the Firm will have a continuing interest in the portfolio company and may therefore not be incentivized to achieve the highest sale price for the Limited Partners.

Warehousing Arrangements. Under the terms of the Governing Documents of the relevant Fund, the relevant General Partner reserves the right to form, and certain Funds have already formed, one or more entities (each, a “Warehousing Vehicle”) that is controlled by such General Partner (or any affiliate thereof) and the economic interests of which are owned by one or more holders of a direct or indirect interest in Patient Square or the General Partner (or one or more affiliates of such a holder). Such Fund will be permitted in the relevant General Partner’s sole discretion to purchase from any Warehousing Vehicle, and any Warehousing Vehicle will be permitted to sell to the relevant Fund, certain securities and/or other investments acquired by such Warehousing Vehicle with the intended purpose of selling such securities and/or other investments to such Fund, a parallel fund, an employee Co-Invest Vehicle, any alternative investment vehicle and/or any Co-Invest Vehicle (“Warehoused Investments”). The arrangements with such Warehousing Vehicle (i) obligate a Fund to acquire Warehoused Investments from such Warehousing Vehicle and generally (ii) permit a General Partner to require the Warehousing Vehicle to sell Warehoused Investments held by such Warehousing Vehicle to a Fund, in each case upon certain conditions and terms (including price, calculated at the Warehousing Vehicle’s original cost for such Warehoused Investments plus certain expenses and an additional amount calculated at a fixed percentage per annum). Although Warehousing Vehicles provide a Fund with additional investment flexibility and the fixed pricing arrangement is intended to reduce potential conflicts of interest, as a result of utilizing a Warehousing Vehicle, it is possible that a Fund could be required to purchase such Warehoused Investments at an undesirable point in time or at a price at which a Fund otherwise would not have made such purchase absent such obligation. The structure and terms of Warehousing Vehicles creates a potential conflict whereby the General Partner is incentivized to favor the Warehousing Vehicle (and its investors, who may have strategic relationships with Patient Square) at the expense of a Fund when determining whether to take or not take any particular action under the terms of the Warehousing Vehicles with respect to such Fund.

Certain Risks Related to the Funds’ Investments:

Due Diligence Risks. Before making investments, General Partners and/or Patient Square will conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence is expected to entail evaluation of important and complex business, financial, tax, accounting, ESG and legal issues, among others. Outside consultants, legal advisors, accountants, investment banks and other third parties, Patient Square personnel, VCF Personnel or Senior Advisors may be involved in the due diligence process to varying degrees depending on the type of investment, and related costs will be borne

by the Funds. The decision to use Patient Square personnel, VCF Personnel or Senior Advisors over third parties to provide due diligence may lead to conflicts of interest based on the relationships between such persons and Patient Square (as discussed below under “Conflicts of Interest”). The involvement of third-party advisors or consultants may present a number of risks primarily relating to Patient Square’s reduced control of the functions that are outsourced. In addition, if General Partners and/or Patient Square are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, General Partners and/or Patient Square will rely on the resources available to them, including information provided by the target company and, in some circumstances, third-party investigations. The due diligence investigation that General Partners and/or Patient Square carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. Moreover, the investigation will not necessarily result in the investment being successful. Further, Patient Square’s and/or its service providers’ ability to conduct due diligence likely will be limited during COVID-19 or similar events, which would increase the foregoing risks.

Portfolio Company Leverage. The Funds expect to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance a portion of its investment, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Funds’ opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which may be impacted by regulatory restrictions and guidelines and which are difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) may restrict or otherwise discourage lending that results in companies carrying large amounts of debt.

The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund’s investments to any deterioration in a company’s condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund’s investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company’s creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time such Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to

borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund will hold a larger than expected equity investment in such portfolio company and could realize lower than expected returns from the portfolio company that would adversely affect such Fund's ability to generate attractive returns for each Fund as a whole. Any failure by lenders to provide previously committed financing could also expose a Fund to potential claims by sellers of businesses which such Fund may have been contracted to purchase. Moreover, the companies in which the Funds will invest likely will not be rated by any credit rating agencies. After a Fund has financed a portfolio company, continued development and marketing of products may require that additional financing be provided from such Fund or a third-party. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. Separately, leverage may be used to effect dividend recapitalizations or similar transactions and generate cash for the Funds and the Limited Partners; to the extent any such dividend recapitalizations are not treated as realization events under the Governing Documents, any proceeds distributed to Limited Partners will be subject to the Limited Partner giveback, subject to limitations described in the Governing Documents, and accordingly may increase the risk of such a giveback.

The Funds are also authorized to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that the Funds would be compensated for providing such guaranty or exposure to such liability. Co-investors are expected to receive the benefit of such guaranty, although because co-investors typically do not agree to participate in guaranty arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Any use of leverage by a Fund also will result in interest expense and other costs to such Fund that could exceed, or otherwise not be covered by, distributions made to the Funds or appreciation of their investments. The Funds are authorized to incur leverage on a joint and several basis with one or more other investment funds or other entities managed by or otherwise affiliated with Patient Square or any of its affiliates to the extent permitted under the Governing Documents and, in connection with incurring such indebtedness, Patient Square is authorized, in its sole discretion, to cause the Funds to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such other entity could default on its obligation or such right would otherwise be unenforceable. Furthermore, from time to time a Fund may provide interim financing to a portfolio company on terms that are not necessarily arms-length (for example, it could be at cost). In addition, to the extent a Fund incurs leverage (or provides any guaranty), such amounts could be secured by the Commitments of such Fund's Investors or other Fund assets. The inability of a Fund to repay any leverage secured by the Commitments of such Fund's Investors could enable a lender to issue a capital call on behalf of a General Partner of a Fund.

Investments in Mature Companies. Investments in more mature companies which are in expansion mode or are in a highly profitable stage involve substantial risks. These companies

typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing and general management of these activities.

Early Growth and Growth Investments. Patient Square may invest in private, early-stage companies. These companies typically have modest or no revenues and may or may not be profitable. They may require additional capital, at high valuations, to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or may not be available on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although a representative of Patient Square may serve on the board of a company, each company will be managed by its own officers (who generally will not be affiliated with the Funds or Patient Square). A Fund may hold minority interests in certain of the companies it invests in, and, as such, a Fund would have limited influence over such companies and their management teams.

Risk of Early-Stage Investments. Patient Square expects to make early-stage investments, including investing in start-ups, providing growth equity capital and/or making commitments to pay expenses of management teams engaged in the discovery, development or exploration of products, science or technologies. While such investments offer the opportunity for significant gains, they also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early stage of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. There can be no assurance that such companies will ever be profitable or even have assets or products that generate meaningful revenue. Investment by Patient Square in start-ups or other early-stage companies may depend significantly on an entrepreneur or management team that the Firm has selected. Early-stage companies may face intense competition, including from companies with greater financial resources, more extensive development, marketing and service capabilities, and a larger number of qualified managerial and technical personnel.

With respect to companies in which the Funds invest growth capital, such companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position and/or to expand or develop management resources.

Going Private Risks. The Funds may invest in certain companies in connection with a “going private” transaction, whereby upon the transaction completion, the company becomes a private company controlled by Patient Square. While operation as a private company reduces or eliminates certain risks inherent in public company operation, including hostile takeover threats, shareholder lawsuits and public disclosure of competitive information such as technology, research and development plans and growth and acquisition strategies, it could potentially engender certain risks, including the loss of public company prestige and advantages, including

a secondary resale market, credit/financing flexibility, a public market basis for valuation of share price, and attractive public company option plans, which could make it more difficult for such company to execute its business strategy and successfully compete in the market.

Public Company Holdings. The Funds expect to selectively and opportunistically make investments in equity and debt securities issued by publicly held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including Patient Square and Limited Partners, and increased costs associated with each of the aforementioned risks.

SPAC Investments. The Funds are permitted to participate in one or more SPAC Sponsors (as defined below) that are formed for the primary purpose of forming, sponsoring, controlling, or managing a SPAC. The Funds could also directly invest in connection with the initial business combination of a SPAC. Each SPAC will register its shares with the SEC in an initial public offering and use the funds raised in such offering to effect a business combination and operate thereafter as a public company. The terms of any acquisition of interests in a SPAC and a SPAC Sponsor may, and in certain cases will, be calculated shortly before the initial public offering of such SPAC. Following the initial public offering, the trading price of a SPAC's securities may materially increase or decrease, whether before or after a business combination, and none of Patient Square, the Funds, any SPAC Sponsor or any of their respective affiliates will be able to control or predict the movement of such price. There can be no assurance or guarantee that any SPAC will be able to acquire an interest in any entity or consummate an investment, and in such case the SPAC Sponsor (and, indirectly, the Funds (if applicable)) is not expected to receive a return of all amounts paid in connection with such SPAC. If, following a SPAC's initial public offering, the funds held in a SPAC's trust account are insufficient to allow it to operate until it consummates its initial business combination, a SPAC will depend on loans from a SPAC Sponsor or its management team to fund its search for a business combination, to pay income taxes, if any, and to complete its initial business combination. If a SPAC Sponsor loans such amounts to a SPAC, the Funds (if applicable) may bear a significant amount of any such loan and any related expenses. If such SPAC is unable to complete its initial business combination within a stipulated time period, it will be forced to cease operations and liquidate, and any loans it received (including indirectly from the Funds) will not be repaid. A Fund's interests in a SPAC Sponsor may include indirect ownership of warrants and "founder's shares" in a SPAC. A Fund's ownership percentage of such warrants and "founder's shares" may be less than the proportional amount of capital invested in such SPAC Sponsor by the Fund because some portion of such warrants and "founder's shares" is expected to be allocated to the management team, board members, advisors, consultants and/or other industry professionals providing services to the SPAC or SPAC Sponsor and other persons or entities. A person or entity may receive interests in a SPAC Sponsor without making a capital contribution or payment to such SPAC Sponsor. Each SPAC Sponsor may, or may not, be controlled by Patient Square and/or Patient Square personnel or its affiliates. In addition, Patient Square or Patient Square personnel or its affiliates may, or may not, sponsor the associated SPAC. Separately, a Fund's participation in a SPAC Sponsor, and the associated indirect ownership of warrants and "founder's shares" in the underlying SPAC, could increase the probability of a Fund making a distribution in kind of such securities to the Limited Partners in connection with the realization of a Fund's interest in such SPAC Sponsor. SPACs

are under increasing regulatory scrutiny and the SEC is considering, among other action, treating SPACs as investment companies under the Investment Company Act unless they meet certain requirements, which would have a detrimental effect on the ability of SPACs to operate as currently intended. Moreover, there are a number of uncertainties concerning the tax treatment of SPAC formation, the issuance and receipt of sponsor and founder interests, and the tax treatment of SPAC related business combinations, that depending on their resolution, could have an adverse effect on the Funds.

Operating Risks of SPAC Investments. The Funds' investments are permitted to include interests in SPAC Sponsors (including but not limited to funding purchases of "founder shares," providing "at risk" capital of the associated SPACs and entering into "forward purchase" arrangements). The Funds may also participate in "PIPE" financings associated with SPACs. Investments in SPAC Sponsors, and the SPAC market in general, involve a number of risks as summarized herein, including but not limited to risks surrounding the consummation of and ultimate value created by business combinations entered into by SPACs, imperfect information and lack of information regarding target businesses, risks based on reliance on key management personnel of a SPAC issuer, initial public offering-related risks, redemption-related risks and risks related to SPAC warrants.

The capitalization of each SPAC Sponsor is expected to vary with respect to each SPAC, and the Funds are expected to hold different units, classes and/or interests depending on the SPAC. Patient Square and the Funds may have very limited input with respect to the organizational and structural characteristics of each SPAC Sponsor and SPAC, including, without limitation, the jurisdiction of organization, form of legal entity, legal structure and tax treatment. In addition, the Funds are expected to be obligated to enter into certain lock-up or other agreements that preclude it from selling its investments. For example, "founder shares" to which a Fund may be entitled are typically subject to lock-up restrictions for up to 12 months (although significantly longer in some instances) following the SPAC's initial business combination. As a result, a Fund could be precluded from realizing its investments at a time when it could realize profits and may be forced to wait to dispose of its shares and/or warrants until a time when the market price of such securities may be substantially lower, resulting in losses for such Fund.

The Funds may enter into a forward purchase agreement with a SPAC obligating the Funds to purchase units in the SPAC in connection with the consummation of the business combination. Unlike shares purchased by public investors in the initial public offering, the Funds are not expected to have a right to redeem these units, which may become worthless if a successful business combination does not ultimately occur. Also, the shares and warrants acquired pursuant to a forward purchase agreement are not expected to be SEC-registered or freely tradeable when acquired. By the time such shares and warrants have been registered with the SEC and become freely tradeable post-business combination, the market of the SPAC's securities may be substantially lower, creating losses for the Funds. The Funds may also make investments in "PIPE" financings, including backstop and support PIPES and ones with a focus on addressing the need for financing certainty. There are numerous risks associated with PIPEs transactions. The SPAC may be unable to register for public resale the shares held by a Fund in a timely manner or at all or, even if the shares are registered for public resale, the market for the SPAC's securities may nevertheless be "thin" or illiquid, each of which could have an adverse effect on a Fund's investment. While the price paid by a Fund may be at a discount to the public trading price at the time of purchase, by the time a Fund is able to dispose of its shares in a public sale the market price for the SPAC's securities may be below the price paid by such Fund, or the sale by

such Fund and other holders with similar registration rights at or about the same time may cause the market price of the SPAC's common stock to decline substantially before such Fund is able to dispose of any or all of its investment. The Funds may elect to hedge certain of its PIPE positions by holding a long position in the convertible security and, at the same time, selling short the underlying common stock in order to seek to lock in the spread between the convertible security and the common stock. However, this technique involves certain risks, including that the Funds may be unable to borrow the underlying common stock to effect the short sale, and that the price of the common stock may be adversely affected as a result of the short selling activity. Patient Square expects that each SPAC will encounter intense competition from other entities having a similar business objective, including private investors (which may be individuals or other investment partnerships), other blank check companies and other entities competing for the types of businesses such SPAC intends to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Some of these competitors may possess greater technical, human and other resources or more industry knowledge than the relevant SPAC does. The value of a Fund's interests in a SPAC Sponsor will ultimately be dependent on the SPAC's ability to successfully complete its initial public offering and business combination transaction, the performance of the SPAC and the acquired company post-business combination and the market value of the SPAC's securities. A SPAC may not be able to find a suitable target and complete a business combination within the prescribed time period. If a SPAC has not completed an initial business combination within such time period, the SPAC is expected to: (i) cease all operations, except for the limited purpose of winding up; (ii) redeem its outstanding public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account net of expenses and taxes thereon; and (iii) following such redemption, subject to the approval of the remaining stockholders and the board of directors, dissolve and liquidate, subject in each case to state law obligations (or obligations under the law of any other jurisdiction) to provide for claims of creditors and the requirements of other applicable law. In such case, the SPAC's warrants will expire worthless and the Fund will not be entitled to recoup its "at risk" capital and/or any of its investment.

Fund Sponsorship of and Investment in SPACs. The Funds are permitted to serve as a sponsor of, or invest in entities that will sponsor, one or more SPACs that are expected to pursue the acquisition of companies typically within the health care sector (each, a "SPAC Sponsor"). It is expected that the Funds will make portfolio company investments in such SPAC Sponsors whose underlying SPACs hold an initial public offering during the investment period of such Fund unless at such time the relevant Fund is permitted to activate a successor fund, subject in all cases to such Fund having the ability to make such investments and those investments not violating the relevant Fund's investment restrictions or applicable law or regulation. Certain members of Patient Square, its affiliates and/or personnel, other consultants as well as "C-suite" executives and other industry professionals unaffiliated with Patient Square, are expected to serve as the management team or serve on the board of directors of one or more SPACs (the "SPAC Team"), which will require a significant portion of their time. As with a Fund's other portfolio company investments, in respect of all SPAC arrangements, a Fund will generally bear the expenses of the SPAC Team and any SPAC Sponsor, including, for example, overhead expenses, fees (including consulting fees), profits interests, diligence expenses, or other expenses in connection with backing the SPAC Team and the establishment of the SPAC Sponsor and the relevant SPAC, subject to the terms of the Governing Documents. Such expenses are expected to be borne directly by a Fund or indirectly as such Fund bears the start-up and ongoing expenses of a SPAC Sponsor and the

SPAC, regardless of whether other consultants or any other persons unaffiliated with Patient Square serve as members of the SPAC Team. Certain of the capital contributions made by the Funds with respect to a SPAC Sponsor will be used to fund the “at-risk capital” of newly- formed SPACs, which is used to fund certain offering expenses, the upfront portion of the underwriting discount, and the working capital of each SPAC, for which the SPAC Sponsor typically receives warrants to purchase ordinary shares of the SPAC. In exchange for supplying the initial capital contribution to the SPAC, a SPAC Sponsor will acquire and hold “founder shares” or “promote”. However, if the SPAC fails to locate and consummate a business combination or gain approval for the business combination from the SPAC’s shareholders within the specified time-period, such Fund will lose its at-risk capital and its founder shares will become worthless. Certain members of the SPAC Team, including Patient Square personnel, employees and their respective affiliates, as well as members that are not Patient Square employees are expected to be entitled to a significant portion of any profits received through the SPAC Sponsor’s ownership of such shares, which they may receive, in part, as compensation for their services rendered to the SPAC or SPAC Sponsor, subject to meeting any distribution thresholds established by Patient Square in favor of such Fund. Such persons may also receive other incentive equity, stock awards, cash fees or other cash compensation for such services. Accordingly, none of the foregoing profits, awards, fees or other compensation received by the SPAC Team or such SPAC Sponsor will be offset against any Management Fees payable to, or carried interest distributable to, a General Partner or Patient Square in respect of such Fund, or otherwise be shared with such Fund or the Limited Partners, regardless of whether the SPAC Team member is an employee or affiliate of, or otherwise associated with, a General Partner or its affiliates, including the SPAC Sponsor. In addition, the Funds are permitted to enter into a forward purchase agreement with a SPAC whereby a Fund commits to purchase forward purchase units consisting of ordinary shares and warrants of the SPAC in a private placement that will close concurrently with the closing of the SPAC’s initial business combination. In such case, a Fund will gain exposure to the ultimate business combination held by a SPAC directly through the forward purchase units in the SPAC and indirectly through the founder shares held by the SPAC Sponsor. Certain members of the SPAC Team, including Patient Square personnel, employees and their respective affiliates as well as members that are not Patient Square employees are expected to be entitled to a significant portion of any profits received through the SPAC Sponsor’s ownership of the forward purchase units in the SPAC, which they may receive, in part, as compensation for their services rendered to the SPAC or SPAC Sponsor, subject to meeting any return thresholds established by Patient Square in favor of a Fund. Accordingly, none of the foregoing profits received by the SPAC Team will be offset against any Management Fees payable to, or carried interest distributable to, any General Partner or Patient Square in respect of a Fund, or otherwise be shared with a Fund or the Limited Partners, regardless of whether the SPAC Team member is an employee or affiliate of, or otherwise associated with, a General Partner or its affiliates, including the SPAC Sponsor.

Fixed-Income Securities. The Funds expect to selectively and opportunistically invest in bonds or other fixed-income securities of U.S. and non-U.S. issuers acquired in the secondary market, including bank debt, corporate debt, mezzanine debt, loans, notes, debentures, and commercial paper, as well as derivatives thereon and hybrid debt-like securities that may have fixed income components. Fixed income securities are subject to credit and interest rate risks. “Credit risk” refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument and how this risk changes over time. Financial strength and solvency of an issuer and the priority of the lien are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Certain of the

fixed-income securities may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, certain fixed-income securities may provide for payments-in-kind interest, which has a similar effect of deferring current cash payments.

The Funds will be dependent upon the judgment of Patient Square as to the credit quality of the securities. There can be no assurance that Patient Square will be successful in assessing the credit risk of the different investments or mitigating the impact of credit risk changes. A borrower's ability to repay its debts may be adversely affected by numerous factors, including, without limitation, the failure to meet its business plan, a downturn in its industry or negative economic conditions. Securities that become non-performing may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the security. However, even if such restructuring was successfully accomplished, a risk exists that upon maturity of such security, replacement "take-out" financing will not be available. There is no assurance that the value of any collateral will be sufficient to protect all or a portion of the related security. Deterioration in a borrower's financial condition and prospects may be accompanied by deterioration in the value of any collateral and a reduction in the likelihood of capitalizing on any guarantees that may have been obtained from the borrower or other parties. A borrower's failure to satisfy financial or operating covenants imposed under the related security could lead to defaults and, potentially, acceleration of the time when the investment is due. Foreclosure on the borrower's assets securing an investment could trigger cross defaults under other debts of the borrower (or vice versa), and could result in prepayment of the security or jeopardize the borrower's ability to meet its obligations, and could have a material adverse effect on the value of any related junior securities of such borrower that the Funds may hold.

Furthermore, Patient Square cannot assure that other claims may not be asserted that might interfere with enforcement of the Funds' rights. Patient Square cannot guarantee the adequacy of the protection of the Funds' interests, including the validity or enforceability of the applicable investment contract and the maintenance of the anticipated priority and perfection of any applicable security interests. A default by a borrower may result in a Fund being unable to liquidate the related securities prior to the termination of such Fund; and such securities may end up being restructured on terms that might result in the Funds being unable to liquidate it prior to the termination of the Funds. This could cause the Limited Partners to receive in-kind distributions in respect of such investments upon the termination of such Fund.

The pace and quantum of investments in debt or debt-like instruments could meaningfully accelerate based on a change in market conditions if Patient Square believes investments of this type could produce attractive returns. It is foreseeable that a downturn in the Firm's target industry or negative economic conditions during the Funds' investment periods could result in a significant portion of Commitments invested in instruments of this type. In such a circumstance, the Funds could deploy their Commitments more quickly and with less exposure to equity investments than expected.

Investment in Junior Securities. The securities in which the Funds will invest may be among the most junior in an investment's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Funds' investments once made.

Corporate Debt. The Funds may invest in investment grade or high-yield corporate debt obligations. These obligations are subject to the risk of an issuer's inability to meet scheduled

principal and/or interest payments on the obligations (credit risk), reducing the income to the Funds and/or a reduction in the value of the obligation experiencing non-payment.

Mezzanine Debt. The Funds may invest in mezzanine debt securities, which by the nature of their issuers' leveraged capital structures will involve a high degree of financial risk. These securities may be unsecured and/or subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. In addition, these securities may not be protected by financial covenants or limitations upon additional indebtedness and may have limited liquidity. Mezzanine investments often reflect a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest. Mezzanine investments are often issued in connection with leveraged acquisitions or recapitalizations, in which the issuer incurs a substantially higher amount of indebtedness than the level at which it had previously operated. Some issuers of the Funds' investments may be highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. Overall adverse conditions in the high yield bond and other markets may adversely affect such issuers by inhibiting their ability to refinance their debt at maturity.

Distressed Investments. The Funds may opportunistically invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including portfolio companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such portfolio companies involve a substantial degree of risk that is generally higher than the risk involved in investing in portfolio companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed portfolio companies securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such portfolio companies. Therefore, in the event that a portfolio companies does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Funds may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Funds invested.

Investments in Restructurings. The Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the original investments. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Funds and distribution by the Funds to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable

preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

PIPE Investments. Patient Square expects selectively and opportunistically to pursue private investment in public company ("PIPE") investments or private financing of public companies. PIPE investments may be purchased directly from a publicly traded company in a private placement transaction. In a PIPE transaction, the Funds typically bear the price risk from the time of pricing until the time of closing. The Funds will generally not be able to sell or distribute PIPE investments unless the securities are registered under applicable securities laws or an exemption from such registration is available. In addition, even after the securities are saleable, it may take a significant period of time for the Funds to sell or distribute PIPE securities in an orderly manner during which time profit could have otherwise been realized or loss avoided, and in some cases the Funds may be prohibited by contract or law from selling such public company securities for a period of time. In addition, the Funds' sales of thinly traded securities could depress the market value of such securities. These circumstances or events could reduce the Funds' profitability. Disposition of the Funds' public company investments may result in distributions in-kind to Limited Partners.

Minority or Shared Control Investments. The Funds are permitted to invest in companies, including venture, early-stage and growth companies, where the Funds will hold a minority stake for which—in many cases—the Funds have no right to exert control or significant influence, and in some cases may only have limited or no minority protection rights. In such circumstances, the Funds may share control with third parties, such as founders, institutional co-investors, private equity funds of other sponsors, or other stakeholders in widely owned companies. In such cases, portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, liquidity needs, tax strategies, fiduciary duties, or other considerations that differ from or are inconsistent with those of the Funds or the Limited Partners. Such third parties may be in a position to take action contrary to the Funds' business, tax or other interests, and the Funds may not be in a position to limit such contrary actions, take other affirmative action, or otherwise protect the value of their investment. When taking non-control positions, the Funds generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that they will be successful in doing so. Such contractual protections are subject to negotiation, and effecting change through such provisions may be impractical and can lead to litigation or business degradation at a portfolio company.

Often in minority or shared control investments, the Funds will not be able to control the timing or occurrence of an exit strategy for such portfolio companies or investments and may not be able to maximize value for the Funds as a result. It may also be more difficult for the Funds to liquidate their interests than it would be had the Funds owned a controlling interest in the company. Even if the Funds have contractual rights to seek liquidity of the Funds' minority interests in such companies, it may be very difficult to sell or redeem such interests or seek a sale of such company upon terms acceptable to the Funds, especially in cases where the interests of the other Investors in such company have different business and investment objectives and goals. Further, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other Investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

Additionally, where the Funds hold a minority stake in a company, Patient Square expects to be unable to recover attributable Fund expenses from such company, including those expenses for services of Patient Square personnel, VCF Personnel, Senior Advisors, and Patient Square's

affiliates. While Patient Square expects to use such services less often than in controlled acquisitions, in minority or co-control investments the Funds are likely to bear a disproportionate share of those costs vis-à-vis other equity holders of those companies.

Strategic Investors; Investments in Joint Ventures. The Funds are permitted to jointly invest in transactions with one or more strategic Investors or other co-parties (which may consist of Limited Partners, service providers, other private equity sponsors or other third-parties), including through joint ventures or other entities. Such investments will involve risks not present in direct investments, including, for example, the outcomes of collaborative decision making varying (adversely) from those which General Partners or Patient Square would have independently reached on behalf of the Funds, and the possibility that such co-party might become bankrupt, or might have interests, objectives, rights or remedies that are different from or may conflict with those of the Funds or may be in a position to take action contrary to the investment objectives of the Funds. In addition, the Funds may in certain circumstances be liable for actions of their third-party co-venturers or partners. Such investments may also involve risks not present in investments in which the Funds invest alone or offers traditional co-investment opportunities that are managed by Patient Square or one of its affiliates. Furthermore, if any such co-party becomes bankrupt or defaults on its funding obligations, it may be difficult for the Funds to make up the shortfall. A Fund may be required to make additional contributions to replace such shortfall, reducing the diversification of the Fund's investments. A Fund may also be liable for the conduct of its co-venture parties. In addition, in negotiating an investment through joint ventures or other similar arrangements, the Funds may have to agree to less favorable terms (e.g., bearing a disproportionate share of expenses) than might be present in direct investments or traditional co-investment arrangements.

Non-U. S. Investments. The Funds expect to selectively and opportunistically invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories and its possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Funds), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or Patient Square and Limited Partners with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Funds and/or Patient Square and Limited Partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of Investors; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) exposure to fluctuations in interest rates payable with respect to the instruments in which the Funds invest; (f) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (g) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (h) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less or more government supervision and regulation; (i) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, governmental or social instability,

including the risk of sovereign defaults, regulatory change and the possibility of expropriation or confiscatory taxation; (j) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; (k) the application of complex U.S. and non-U.S. tax rules to cross-border investments; (l) possible non-U.S. tax return filing requirements for the Funds or Patient Square and Limited Partners; (m) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; and (n) political hostility to investments by foreign or private equity investors.

Control Person Liability. The Funds are expected to have controlling interests in a number of their portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws and regulations) and other types of liability, for which the limited liability generally afforded to Investors may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, the Funds could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, the Funds might suffer significant losses. While Patient Square intends to seek to manage the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims against the Funds and/or their affiliates cannot be precluded.

Assumption of Contingent Liabilities. In connection with an investment, the Funds could assume, or acquire a portfolio company subject to, contingent liabilities. These liabilities could be material and may include liabilities associated with pending litigation, regulatory investigations, environmental actions or payment of indebtedness, among other things. To the extent these liabilities are realized, they could materially adversely affect the value of a portfolio company. In addition, if the Funds have assumed or guaranteed these liabilities, the obligation would be payable from the Funds' assets, including the remaining Commitments of the Limited Partners.

Going Private Risks. The Funds may invest in certain companies in connection with a "going private" transaction, whereby upon the transaction completion, the company becomes a private company controlled by Patient Square. While operation as a private company reduces or eliminates certain risks inherent in public company operation, including hostile takeover threats, shareholder lawsuits and public disclosure of competitive information such as technology, research and development plans and growth and acquisition strategies, it could potentially engender certain risks, including the loss of public company prestige and advantages, including a secondary resale market, credit/financing flexibility, a public market basis for valuation of share price, and attractive public company option plans, which could make it more difficult for such company to execute its business strategy and successfully compete in the market.

Reliance on Proprietary & Intellectual Property Rights. Many target portfolio companies are expected to rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that the Funds or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies. Furthermore, portfolio companies may be forced to spend significant time and expense on litigation related to defending such proprietary rights. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the United States is significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect

for patent rights. Reductions in the legal protection for intellectual property rights could adversely affect portfolio companies.

Hedging Arrangements; Related Regulations. A General Partner is authorized (but not obligated) to endeavor to manage the relevant Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Certain Industry-Related Risks

Risks of Investing in Health Care Sector. The Funds expect to make investments in the various sectors within the health care industry, which are subject to regulatory controls by international, national, and, in some instances, local governmental authorities. The nature and scope of health care regulations are generally subject to political forces and market considerations. While investments in health care companies offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total loss. Health care reform continues to be a significant factor in the profitability of health care companies, particularly with the focus on coordinated and value-based care initiatives and departures from fee for service driven models. New laws, regulations and judicial decisions, or new interpretations of existing laws, regulations and decisions that relate to health care availability, methods of delivery or payment for products and services, or sales, marketing or pricing, may have a material negative impact on the performance of portfolio companies that operate in this industry. Patient Square cannot predict whether new legislation or regulations governing the health care industry will be enacted by legislative bodies or governmental agencies, or what effect such legislation or regulations might have.

In both the U.S. and foreign markets, sales of health care products and services, and the success of such platforms, frequently depend, in part, on the availability of reimbursement from third-party payors such as governmental health programs, private health insurers (i.e., commercial payors), and other organizations. The levels of revenues and profitability of providers/suppliers of health care products and services may be affected by the continuing efforts of governmental and third-party payors to contain or reduce the costs of health care. Significant uncertainty exists as to the reimbursement status of certain health care products and services. There can be no assurance that a company's proposed products or services will be considered cost-effective or that adequate

third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment.

Further, companies in the health care industry are often subject to significant risks related to litigation and liability for damages in connection with their operations, or products and services offered. The litigation and liability environment in the health care industry is constantly evolving, and new judicial decisions and legislative activity may increase exposure to any of these types of claims. Even if liability insurance is maintained by a portfolio company, it may not be adequate to cover potential liabilities, including as a result of warranty and product liability claims.

Health care companies may face intense competition, including competition from companies with greater financial resources, more extensive research and development, sales and marketing, customer services and support and other capabilities and a larger number of qualified managerial and technical personnel.

The manufacturing of health care products is a highly complex process, to which regulators apply stringent standards. From time to time, issues can arise in manufacturing that may result in a delay or suspension of a product, or even a recall of a product. An error may arise in the production process that results in the contamination of a product or batch, or more simply, a product batch being produced outside of approved specifications as a result of production variability. Corrective actions to such events can impact profitability and sometimes remove products from the market.

Health care companies, whether focused on or possessing health care technological components, often face specific risk which the Funds may be exposed to by investing in such companies. Such risks typically include: (i) rapidly changing science and technologies; (ii) new competing products and improvements in existing products which may quickly render existing products or technologies obsolete; (iii) scarcity of management, technical, scientific, research and marketing personnel with appropriate training; (iv) the possibility of lawsuits related to patents and other intellectual property and their associated rights; and (v) rapidly changing investor sentiments and preferences with regard to technology sector investments.

Adverse Trends in Health Care Provider Operations. The health care industry is currently experiencing the following trends: changes in the demand for and methods of delivering health care items and services; changes in third-party reimbursement policies; significant unused capacity in certain areas, which has created substantial competition for patients among health care providers in those areas; increased expense for uninsured patients; increased competition among health care providers; increased insurance expenses; increased health care provider liability expenses; continued pressure by private and governmental payors to reduce payments to providers of services; increased scrutiny of billing, referral and other practices by federal and state authorities; increased scrutiny of surprise billing and related issues associated with transparency; changes in federal and state health care program payment models; increased risk of exposure to certain communicable diseases for health care providers, clinical staff and frontline workers; challenges in ability to recruit and retain health care providers, clinical staff and frontline workers, due to heightened risk of exposure to certain communicable diseases; and increased emphasis on compliance with privacy and security requirements related to protected health information.

Special Risks Associated with Health Care Technology Investments. Investing in securities and other instruments of companies that offer health-related technology or technology-enabled products or services involves substantial risks. These risks include, but are not limited to, the following: certain companies in the Funds' portfolio may have limited operating histories; certain of these companies may produce products or render services that rapidly become obsolete as a result of the emergence of new competing products or services and/or improvements in existing products or services; rapidly changing market conditions and/or participants; cyclical patterns in information technology spending which may result in inventory write-offs, cancellation of orders and operating losses; scarcity of management, engineering and marketing personnel with appropriate technological training; the possibility of lawsuits related to technological patents; changing investors' sentiments and preferences with regard to technology sector investments (which are generally perceived as risky) with their resultant effect on the price of underlying securities; worldwide competition; consumer preferences; product compatibility; government regulation; excessive investor optimism or pessimism; and other factors. Many of the products and services offered by technology-related companies are also subject to the risk of short product cycles. Certain technology-related companies face special risks that their products or services may not prove to be commercially successful. Such companies also may be subject to risks relating to research and development costs and the availability and price of components. As product cycles shorten and manufacturing capacity increases, these companies could become increasingly subject to aggressive pricing and competition, which hampers profitability. In addition, technology assets and intellectual property, and in investments in or financing thereof, are usually governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher than for other investments. In addition, technology-related companies often own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. Lawsuits involving disputes over intellectual property or related claims, regardless of the merits of the claims, are often time-consuming, costly to defend and can result in significant damage awards or expensive settlements. Such lawsuits can cause significant diversion of management attention and, if successful, can limit the ability of such companies to develop or market the technologies that form the core of their business.

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

Certain portfolio companies may also conduct clinical trials in the course of their research and development. Clinical trials can be time-consuming, expensive and involve a high degree of uncertainty. The success of the Funds may, in part, depend on the success of such clinical trials.

Technological Change; Competition. The Funds' portfolio companies are likely to face competition from other companies or products based on product efficacy and/or safety profiles, the timing and scope of regulatory approvals, availability of supply, marketing and sales capability, reimbursement coverage, price and patent position. Others may develop technologies, which are, or in the future may be, the basis for products that will directly compete with or reduce the

commercial market opportunity for the Funds' portfolio companies. For example, competition from larger and better capitalized pharmaceutical companies and more established biotechnology companies may be intense and may increase over time. Smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with larger pharmaceutical and established biotechnology companies. Academic institutions, governmental agencies and other public and private research organizations also conduct research, seek patent protection and establish collaborative arrangements for clinical development and marketing, which can result in such competing products. These factors may materially adversely affect interests held by the Funds.

Regulated Industries. Certain industry segments in which the Funds intend to invest, including various sectors of the health care industry are (or may increasingly become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Compliance with these regulations can be costly. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to the health care sector are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Funds invests. By way of example, the health care industry has been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industries are introduced from time to time, which, if adopted, could have a significant impact on such industries in general and/or on companies in which the Funds may invest. Even where health care companies develop and implement comprehensive compliance programs, there is no guarantee that they, their employees, consultants or contractors, will be afforded protection from economic exposure to such laws and regulations.

There are various federal and state laws prohibiting fraudulent and abusive business practices by health care providers, suppliers, and parties that contract with such providers and suppliers who participate in, receive payments from or are in a position to make or influence referrals in connection with government-sponsored health care programs, including the Medicare and Medicaid programs. Of particular importance are:

- the federal Ethics in Patient Referrals Act, commonly referred to as the Stark Law, which, unless one of the statutory or regulatory exceptions apply, prohibits physicians from referring Medicare or Medicaid patients to an entity for the provision of certain “designated health services” if the physician or a member of such physician’s immediate family has a direct or indirect financial relationship (including an ownership interest or a compensation arrangement) with the entity, and prohibit the entity from billing Medicare or Medicaid for such designated health services. Sanctions for violating the Stark Law include denial of payment, civil monetary penalties of up to \$27,750 (updated annually) per claim submitted and exclusion from the federal health care programs. Failure to refund amounts received as a result of a prohibited referral on a timely basis may constitute a false or fraudulent claim and may result in civil penalties and additional penalties under the False Claims Act. The statute also provides for a penalty of up to \$185,009 for a circumvention scheme;
- the federal Anti-Kickback Statute, which prohibits the knowing and willful offer, payment,

solicitation or receipt of any bribe, kickback, rebate or other remuneration for referring an individual, in return for ordering, leasing, purchasing or recommending or arranging for or to induce the referral of an individual or the ordering, purchasing or leasing of items or services covered, in whole or in part, by any federal health care program, such as Medicare and Medicaid. Remuneration has been interpreted broadly as anything of value, and could include compensation, discounts or free marketing services. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. Violations of the federal Anti-Kickback Statute may result in civil monetary penalties up to \$112,131 (updated annually) for each violation, plus up to three times the remuneration involved. Civil penalties for such conduct can further be assessed under the federal False Claims Act. Violations can also result in criminal penalties, including criminal fines of up to \$100,000 and imprisonment of up to 10 years. Similarly, violations can result in exclusion from participation in government health care programs, including Medicare and Medicaid;

- the Eliminating Kickbacks in Recovery Act, which imposes criminal liability on individuals or entities that pay, receive, or solicit any remuneration in return for patient referrals to recovery homes, clinical treatment facilities, or laboratories;
- the criminal health care fraud provisions of the federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, which are collectively referred to as ("HIPAA"), and related rules that prohibit knowingly and willfully executing a scheme or artifice to defraud any health care benefit program or falsifying, concealing or covering up a material fact or making any material false, fictitious or fraudulent statement in connection with the delivery of or payment for health care benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- HIPAA, and its implementing regulations, which also imposes certain regulatory and contractual requirements regarding the privacy, security and transmission of protected health information;
- the federal False Claims Act that imposes civil and criminal liability on individuals or entities that knowingly submit false or fraudulent claims for payment to the government or knowingly making, or causing to be made, a false statement in order to have a false claim paid, including *qui tam* or whistleblower suits;
- the federal Civil Monetary Penalties Law prohibits, among other things, the offering or transfer of remuneration to a Medicare or state health care program beneficiary if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state health care program, unless an exception applies;
- the No Surprises Act, which establishes new federal protections against surprise medical billing.

- The Patient Physician Sunshine Act, which requires manufacturers of drugs, medical devices, and biologicals that participate in U.S. federal healthcare programs to report certain payments and items of value given to healthcare providers;
- reassignment of payment rules that prohibit certain types of billing and collection practices in connection with claims payable by the Medicare or Medicaid programs;
- similar state law provisions pertaining to Anti-Kickback, self-referral and false claims issues, some of which may apply to items or services reimbursed by any third party payor, including commercial insurers or services paid out-of-pocket by patients;
- state laws that prohibit general business corporations from practicing medicine, controlling physicians' medical decisions or engaging in some practices such as splitting fees with physicians and psychologists;
- the Federal Trade Commission Act and federal and state consumer protection, advertisement and unfair competition laws, which broadly regulate marketplace activities and activities that could potentially harm consumers;
- laws that regulate debt collection practices as applied to a portfolio company's debt collection practices;
- a provision of the Social Security Act that imposes criminal penalties on health care providers who fail to disclose or refund known overpayments;
- federal and state laws that prohibit providers from billing and receiving payment from Medicare and Medicaid for services unless the services are medically necessary, adequately and accurately documented, and billed using codes that accurately reflect the type and level of services rendered;
- risks related to employing or contracting with individuals or entities that are sanctioned or excluded from participation in government health care programs;
- the Federal Substance Abuse Confidentiality Regulations known as 42 C.F.R. Part 2;
- federal and state laws and policies that require health care providers to maintain licensure, certification or accreditation to provide physician and other professional services, to enroll and participate in the Medicare and Medicaid programs, to report certain changes in their operations to the agencies that administer these programs, as well as state insurance laws; and
- state and federal statutes and regulations that govern workplace health and safety.

Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. For example, in November 2020, DHHS published two final rules that aim to reduce regulatory barriers to care coordination and accelerate the transformation of the health care system into one that pays for value and promotes the delivery of coordinated care. The rules provide greater flexibility for health care providers to participate in value-based arrangements and to provide coordinated care for patients. The final rules also ease unnecessary compliance burdens for

health care providers and other stakeholders across the industry, while maintaining strong safeguards to protect patients and programs from fraud and abuse.

To enforce compliance with the federal laws, the U.S. Department of Justice and the U.S. Department of Health and Human Services Office of Inspector General have continued their scrutiny of health care providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. An example of the continued prioritization by DOJ on corporate and healthcare matters is evidenced by the September 2022 release of the Monaco Guidelines, which reflect enhancements to long-standing DOJ Guidelines on corporate accountability. Dealing with investigations can be time- and resource-consuming and can divert management's attention from the business. Any such investigation or settlement could increase costs or otherwise have an adverse effect on operations. In addition, because of the potential for large monetary exposure under the federal False Claims Act, healthcare providers often resolve allegations without admissions of liability for significant and material amounts to avoid the uncertainty of treble damages that may be awarded in litigation proceedings. Such settlements often contain additional compliance and reporting requirements as part of a consent decree, settlement agreement or corporate integrity agreement. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating health care providers' compliance with the health care reimbursement rules and fraud and abuse laws.

Furthermore, governments have considerable discretion in implementing regulations that could impact a portfolio company's business, and as local governments may be influenced by political considerations, they may make decisions that adversely affect a portfolio company's business. Moreover, additional regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in a portfolio company's lessee or for other reasons. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. In addition, a Fund may require the consent or approval of applicable regulatory authorities in order to acquire or hold particular portfolio companies. If a Fund or any of its portfolio companies is unable to obtain required consent or approval, such Fund or such portfolio company may be unable to enter into transactions or to structure transactions in ways that are optimal for the Fund.

Each Fund intends to invest in portfolio companies it believes have obtained all necessary regulatory approvals. There can be no assurance that a portfolio company will be able to (a) obtain all required regulatory approvals that it does not yet have or that it may require in the future, (b) obtain any necessary modifications to existing regulatory approvals or (c) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay in satisfying or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or leases to third parties or could result in additional costs to a portfolio company.

The success of the Funds' portfolio companies may be dependent upon obtaining certain government approvals. The research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to a health care industry company's products are subject to an extensive regulatory approval process by U.S. Food and Drug Administration ("FDA") and other regulatory agencies in the United States and abroad. The process for obtaining FDA and other required regulatory approvals, including the required preclinical and clinical testing is very lengthy,

costly and uncertain. There can be no guarantee that, even after such time and expenditures, a portfolio company will be able to obtain the necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products or that the approved labeling will be sufficient for favorable marketing and promotional activities. If a portfolio company is unable to obtain these approvals in a timely fashion, or if after approval for marketing, a product is later shown to be ineffective or to have unacceptable side effects not discovered during testing, the portfolio company may experience significant adverse effects, which in turn, could negatively affect the performance of the Funds. Moreover, even after approval, products may still be the subject of regulatory action if new facts concerning their safety and efficacy come to light. Health care regulation is subject to change and can have a considerable impact on the marketing of products and services by companies in which the Funds invest or the customers or counterparties of such companies. Such regulatory changes could affect the ability of a portfolio company or one of its significant customers' or counterparties' ability to obtain or maintain approval of its products, even forcing such companies to withdraw their products from the market. In some cases, new regulations can substantially change the marketing conditions for certain health care products, such as pharmaceuticals. Accordingly, investments made in reliance on an existing market structure may not be cost effective or may be devoid of value and existing market positions could be endangered.

Reductions in Third Party Payor Reimbursements and Increase in Self-Pay Patients. Sources of revenue for health care companies may include the federal Medicare program, state Medicaid programs, private insurance carriers and health maintenance organizations, among others. Efforts by such payors to reduce health care costs have intensified in recent years and will likely continue, which may result in reductions or slower growth in reimbursement for certain services provided by health care companies. In addition, the health care billing rules and regulations are complex, and the failure of any health care companies to comply with various laws and regulations could jeopardize their ability to continue participating in Medicare, Medicaid and other government sponsored payment programs. Moreover, the state and federal governmental health care programs are subject to reductions by state and federal legislative actions. The Medicare Access & CHIP Reauthorization Act of 2015 introduced new methodologies that will focus on payment based upon quality outcomes. It is possible that certain physicians will not qualify for one or more of such payment methods. Therefore, this change in reimbursement models may impact health care companies' cash flows and create uncertainty in their financial condition.

The health care industry continues to face increased governmental and private payor pressure on health care providers to control or reduce costs. It is possible that health care companies will continue to experience a shift in payor mix away from fee-for-service payors, resulting in an increase in the percentage of revenues attributable to reimbursement based upon value-based principles and quality-driven managed care programs, and general industry trends that include pressures to control health care costs. Pressures to control health care costs and a shift away from traditional health insurance reimbursement to payments based upon quality outcomes have increased the uncertainty of payments.

The Inflation Reduction Act. In August 2022, the U.S. government enacted the Inflation Reduction Act (the "IRA"). Among other measures, the IRA will allow HHS to effectively set prices for certain single-source drugs and biologics reimbursed under Medicare Part B and Part D. The IRA allows the U.S. government to negotiate the prices after a nine (small molecule medicines approved under a New Drug Application) or thirteen (medicines approved under a Biologics License Application) year period following initial FDA approval. Prices will be capped at a statutory ceiling

price that could represent a significant discount from average prices to wholesalers and direct purchasers. The IRA is being implemented in phases starting in 2023, and the first government set prices will take effect in 2026. Although the drug price negotiation program will only directly impact a limited number of drugs, it may have a broader impact on drug development and pricing strategies.

The IRA also requires drug companies to pay a rebate to Medicare if they raise their prices for certain “rebutable drugs” faster than the rate of inflation. The IRA establishes Medicare Part B (if single-source) and Part D prescription drug rebates for certain drugs and biologicals with prices increasing faster than the rate of inflation. Provisions of the IRA may be subject to legal challenges, and the full effect of the IRA on Portfolio Companies’ businesses and the pharmaceutical industry remains uncertain.

The Corporate Practice of Medicine. The corporate practice of medicine prohibition exists in some form, by statute, regulation, board of medicine or attorney general guidance, or case law, in certain of the states in which a portfolio company may operate. These laws generally prohibit lay-persons or entities from practicing medicine, psychology or other licensed professions, and are intended to prevent unlicensed persons or entities from interfering with or inappropriately influencing providers’ professional judgment. Due to the prevalence of the corporate practice of medicine doctrine, a portfolio company may need to enter, or cause to be entered, management services contracts with affiliated professional practices to provide the practices with a wide range of non-clinical administrative services. To the extent a portfolio company’s ability to receive compensation for these services is limited, its ability to use that cash for growth, debt service or other uses may be impaired and, as a result, our results of operations and financial condition may be adversely affected.

Hazardous Substance and Manufacturing Regulations. Certain target portfolio companies’ activities may involve the generation, storage, use and disposal of hazardous materials, including hazardous compounds and wastes, which are governed and subject to regulation by many U.S. and non-U.S. national, supra-national, state and local governmental authorities. In some circumstances, these authorities must approve products and manufacturing processes and facilities, including the manufacture, generation, storage, handling, transportation, discharge and disposal of hazardous materials and wastes and worker health and safety, before a portfolio company may sell some of these products. The process of compliance with these laws and regulations can be costly, time consuming and subject to unanticipated and significant delays. Additionally, failure to comply with these laws and regulations could be the basis for action, including injunction, request for recall, seizure, or total or partial suspension of production. New laws and regulations may be introduced in the future that could result in additional compliance costs, bans on product sales or use, seizures, confiscation, recall or monetary fines, any of which could prevent or inhibit the development, distribution or sale of products and could increase customers’ efforts to find less hazardous substitutes for products. Additionally, certain portfolio companies may be subject to regulatory oversight and approval of products by the FDA and such approvals will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record keeping and submission of safety and other post-market information. The process of seeking approvals can be costly, time consuming and subject to unanticipated and significant delays. Approvals may not be granted on a timely basis, or at all. Any delay in obtaining, or any failure to obtain or maintain these approvals would adversely affect a portfolio company’s ability to introduce new products and to generate revenue from those products. Furthermore, to obtain regulatory approval of certain new products,

it must be demonstrated to the relevant authority that the product is safe for its intended uses and that such product is capable of being manufactured in compliance with current regulations.

Product Liability Claims; Product Recall. The sale of certain products of portfolio companies require regulatory approval, and the manufacturing processes, reporting requirements, post-approval clinical data, and promotional activities for such product, will be subject to continued regulatory review and oversight by the FDA. Failure to comply with applicable requirements could result in, among other things, one or more of the following actions: notices of violation, untitled letters, warning letters, fines and other monetary penalties, unanticipated expenditures, delays in approval or refusal to approve a product candidate; product recall or seizure; interruption of manufacturing or clinical trials; operating restrictions; injunctions; and criminal prosecution. The sale of such products involves the risk of product liability claims and voluntary or government-ordered product recalls, including recalls by the FDA. While portfolio companies attempt to protect themselves from product liability claims and exposures through adherence to standards and specifications and through contractual negotiations, there can be no assurance that such efforts will ultimately protect the portfolio companies from any such claims. A product liability claim or voluntary or government-ordered product recall could result in substantial and unexpected expenditures, affect consumer or customer confidence in the portfolio company's products and divert management's attention from other responsibilities. A product recall or successful product liability claim or series of claims against a portfolio company in excess of its insurance coverage and for which it is not otherwise indemnified could have a material adverse effect on its business, financial condition, results of operations or cash flows.

Labor Relations. Certain portfolio companies may have unionized work forces or employees who are covered by one or more collective bargaining agreements, which could subject any such portfolio company's activities and labor relations matters to complex laws relating thereto as well as the potential for increased costs, legacy liabilities, operating restrictions and oversight. Moreover, a portfolio company's operations and profitability could suffer if it experiences labor relations issues, organizing, or problems, including unionization activities directed at a portfolio company that was not previously unionized or concerted economic activities directed against the portfolio company or its affiliates. Political climate changes may also make unionization easier or more likely in the future. Upon a successful union organizing drive or the expiration of any of any such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities or their affiliates may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage or other labor disruption at one or more of any such portfolio company's facilities, or relating to any of its affiliates, suppliers, or partners, could have a material adverse effect on such portfolio company's business, results of operations and financial condition. Any such problems additionally may bring scrutiny and attention to the Funds themselves and other portfolio companies, which could adversely affect the Funds' ability to implement their investment strategy.

Certain Structural & Macroeconomic Risks:

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics, presidential, congressional and other elections or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic

downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19. Such health crises 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 are likely to have adverse effects on the operating performance of affected portfolio companies. A climate of uncertainty, including the spread of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This would likely slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn would likely have an adverse effect upon the Funds' portfolio companies.

Market Conditions. The capital markets have experienced great volatility and financial turmoil in recent times. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally have the potential to reduce the availability of attractive investment opportunities for the Funds and affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) also increases the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of a credit crisis, the downgrading of the credit rating of the U.S. or pandemics, which, among other things, can impact the public market comparable earnings multiples used to value privately-held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Funds' performance. Volatility and illiquidity in the financial sector could have an adverse effect on the ability of the Funds to sell and/or partially dispose of their portfolio company investments. Related adverse effects could include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that Patient Square believes reflect the fair value of such investments.

The impact of market and other economic events may also affect the Funds' ability to raise funding to support their investment objectives.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. The recent deterioration of the global credit markets has made it more difficult for investment funds such as the Funds to obtain favorable financing for investments. The Funds' ability to generate attractive investment returns may be adversely affected to the extent the Funds are unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global

economies. Such marketplace events also may restrict the ability of the Funds to realize their investments at favorable times or for favorable prices.

Financial Institution Risk: Distress Events. An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Patient Square, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Patient Square to manage the Funds and their investments, and on the ability of Patient Square, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Patient Square expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Patient Square and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with a custodian, which heightens the risks associated with a Distress Event with respect to such custodians. Although Patient Square seeks to do business with custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Patient Square is under no obligation to use a minimum number of custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Public Health Emergencies. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases, have and may in the future result in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

In an effort to contain public health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home,” “shelter in place” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measure have the potential to significantly diminish economic production and activity of all kinds and contribute to both volatility and a severe decline in financial markets, demand across categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets. Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

Furthermore, uncertainty can result in or coincide with, among other things: increased volatility in the financial markets for securities, derivatives, loans, credit and currency; a decrease in the reliability of market prices and difficulty in valuing assets (including any portfolio company assets); greater fluctuations in spreads on debt investments and currency exchange rates; increased risk of default (by both government and private obligors and issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or settle transactions (including, but not limited to, a market freeze); unavailability of currency hedging techniques; substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments.

The ultimate impact of such health emergencies — and the resulting potential decline in economic and commercial activity across economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including global or regional economic downturns (including a recession) of indeterminate duration and severity, are possible. The extent of such a health emergency’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if economies are able to fully “re-open,” it is difficult to assess what the longer-term impacts of an extended period of economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

United Kingdom Exit from the European Union. On January 31, 2020, the UK formally withdrew from the European Union (“Brexit”). After this, the UK entered into a transition period during which the majority of the existing EU rules continued to apply in the UK. Following the end of the transition period on December 31, 2020, EU rules ceased to apply in the UK.

Although the terms of the UK’s future relationship with the EU were agreed in a trade and cooperation agreement signed on December 30, 2020, this did not include an agreement on financial services. In the absence of a formal agreement on this issue, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to substantially many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or restrictions in relation to cross-border access).

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Russia-Ukraine Conflict. The ongoing military conflict between Russia and the Ukraine has caused disruption to global financial systems, trade and transport, among other things. The conflict has displaced millions of people, causing an acute refugee crisis in Europe, and has increased the threat of nuclear accidents or attacks, cyberattacks and further regional or global conflicts, among other potentially dire consequences. In response, multiple other countries have established global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. It is possible that countries could institute broader sanctions or impose other economic and political measure son Russia, which could result in the immediate freeze of Russian securities and/or funds invested in prohibited assets and/or other consequences. Private companies have also implemented restrictions that severely limit, and in some cases, revers or cancel, business transactions in, or involving certain individuals and/or businesses connected to or associated with, Russia. Further, some private companies have moved to divest of Russia-based subsidiaries and assets. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds and their portfolio companies. 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 could be significant and have severe adverse effects 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. This impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. In particular, the portfolio companies of the Funds may suffer significant increases in operating costs (including, among other reasons, as a result of the substantial increase in energy prices), reductions in customers or new subscriptions for services, losses from cyberattacks, significant reductions in revenue and growth, increased foreign exchange risk and/or unexpected operational losses and liabilities. The impact may also limit the ability of the Funds to raise capital, to source, diligence and execute new portfolio investments and to manage, finance and exit portfolio investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives.

Risks related to U.S. Foreign Policy. Certain recent developments in United States trade policy and diplomatic relations between the United States and other nations may have unforeseen and unexpected consequences on the United States and global economies. As recent examples, in response to Russia's invasion of Ukraine in early 2022, the United States, along with several other countries, imposed strict economic sanctions on Russia that could have short-term and long-term impact on various global markets, including commodities, currency, financial, and securities markets. In addition, the imposition of substantial tariffs on China and other nations by the United States, along with any retaliatory measures by China or such other nations, may continue to escalate, affecting economic and political conditions both domestically and internationally. A central issue in the United States-China dispute is the alleged theft and/or misuse of United States information technology patents, including trade secrets and related technical information, by Chinese government and corporate actors.

However, on February 14, 2020 both countries signed and implemented the Economic and Trade Agreement between the Government of the United States of America and the Government of the People's Republic of China, (the "US-China Phase One Deal") with each committing to reduce tariffs and China committing to reforms to provide market access and purchase more US goods. Although the increase in positive relations between the countries was limited as the COVID-19 pandemic has once again increased tensions between the U.S. and China. At this time it remains unclear whether a final trade deal will be struck between the two countries and, if so, the specifics of such deal and its effects on the broader geopolitical environment and global economic stability. Moreover, since the U.S.-China Phase One Deal was implemented, the United States has imposed sanctions and export restrictions on Chinese individuals and entities with ties to the Chinese military and Chinese individuals and entities who have been involved in human rights abuses in Hong Kong and Xinjiang. In addition, actions of the Chinese government in the future could have a significant effect on economic activities, which could affect private sector and state-owned companies. Such effects include supply chain interruptions, exchange control regulations and taxation, each of which would result in adverse market conditions for the Funds and their portfolio companies. As the dispute between the U.S. and China continues, the imposition of tariffs

on Chinese goods and expansion of export restrictions on Chinese individuals and entities, in particular, could result in market uncertainty and greater supply chain costs, any of which could negatively impact the investment opportunities available to a Fund and could negatively affect the long-term strategy, investment plans, and performance of the Fund and their investments. The Biden Administration has signaled that it intends to review the U.S.-China Phase One Deal.

It is not possible to ascertain the precise impact these events will have on the United States and other economies, the global information technology industry, a Fund or their investments from an economic, financial, tax or regulatory perspective, but any such impact could be material and adverse for a Fund and its investments.

Adequacy and Availability of Insurance. While the Funds may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses, and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, natural disasters (such as earthquakes, fire, hurricanes, floods, tornadoes, tsunamis, windstorms, volcanic eruptions, earthquakes and typhoons), terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact a portfolio company and the Funds' profitability.

Weather and Climate Risk. Global climate change is widely considered to be a significant threat to the global economy. Portfolio companies may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Additionally, the Paris Agreement and other initiatives by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose portfolio companies to so-called "transition risks" in addition to physical risks, such as: (i) political and policy risks (e.g., changing regulatory incentives and legal requirements, including with respect to greenhouse gas emissions, that could result in increased costs or changes in business operations), regulatory and litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to climate impacts), (ii) technology and market risks (e.g., declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions); and (iii) reputational risks (e.g., risks tied to changing customer or community perceptions of an asset's relative contribution to greenhouse gas emissions). Patient Square cannot rule out the possibility that climate risks, including changes in weather and climate patterns, could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on an investment or the Funds.

LIBOR and Other Reference Rates. To the extent that (i) the Funds' investments (whether made, acquired or otherwise) and/or (ii) the Funds' and/or its affiliates' credit arrangements or facilities, hedging activities, derivative- or other structures, in each case, are subject to, utilize or otherwise reference, whether directly or indirectly, a variable interest rate that is based on (or calculated

with reference to) the London Interbank Offered Rate (“LIBOR”, and together with the Euro Interbank Offered Rate, the Canadian Dollar Offered Rate, the Secured Overnight Financing Rate (“SOFR”), the Sterling Overnight Index Average (“SONIA”), or any other reference rate, benchmark or index, including in each case, any permutations thereof and any credit spread adjustments thereto, collectively, the “Benchmark Rates”), the Funds may be subject to certain material risks, some of which are described below.

LIBOR is an estimate of the rate at which a sub-set of traditional banks can borrow money from other banks and, together with other interbank offered rates (together with LIBOR, each an “IBOR”), is widely used as a reference for interest rates on credit and other financial instruments and agreements globally. It is expected that no United States Dollar-LIBOR tenors will be published after June 2023 although such tenors may cease being published, or cease to be representative of the market, before then. Regulators, central banks, governments and other market participants are working on replacement Benchmark Rates and the transition of existing instruments and contracts to such new rate. Although it is not possible to identify a comprehensive set of potential risks at this time, the termination of LIBOR presents certain risks to the Funds including, among others: (i) increased volatility or illiquidity in markets, (ii) material delays in or reductions to financing options for actual or prospective portfolio companies, (iii) increased cost of borrowing to the Funds and/or to actual or prospective portfolio companies, (iv) reduction in the value of certain instruments or the effectiveness of related transactions such as hedges, (v) uncertainty under applicable documentation, or difficult and costly consent processes for any required amendments to applicable documentation for the Funds as a borrower or counterparty, or for any actual or prospective portfolio companies in such capacities, (vi) costs of modifications to the Funds’ processes and systems (including IT), and/or costs of administrative services and operations, including monitoring of recommended conventions and Benchmark Rates, or any component of or adjustment to the foregoing, and (vii) costs of causing the Funds and/or, indirectly, causing one or more portfolio companies to incur expenses to manage the transition away from LIBOR. Any such effects of the transition away from LIBOR and the other IBORs, as well as other unforeseen effects, may result in expenses, difficulties, complications or delays for impacted markets and instruments, and could have a material adverse impact on the Funds and/or its investments. Additionally, to the extent swaps, hedges, and/or similar derivatives or instruments that use or reference, whether directly or indirectly, LIBOR or other similar Benchmark Rate, including swaps or contracts used to manage long-term interest rate risk related to assets and/or liabilities, are entered into, in addition to the potential need for renegotiation, there also may be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, in possible unexpected gains and/or losses. Some of these replacement rates may also be subject to compounding or adjustments that cause administrative challenges for the Funds and the portfolio companies, and their respective affiliates and service providers and could also impact the timing, calculation of, and size of certain performance fees, payments and/or distributions made by the Funds.

Patient Square does not have prior experience in investing during a period of Benchmark Rate transition and there can be no assurance that it will be able to manage the Funds’ business or performance in a profitable manner before, during or after such transition.

Certain Legal, Regulatory & Tax Risks:

Legal, Regulatory & Tax Risks, Generally. Legal, regulatory and tax changes could occur during the term of the Funds that may adversely affect the Funds, their portfolio companies or the Limited Partners. From time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in

response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. The Funds may invest in portfolio companies that operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, portfolio companies that are subject to regulation. Failure to comply with any of these laws, rules and regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which may have material adverse effects. Furthermore, disruptions in government, such as those resulting from shutdowns of the U.S. federal government, have resulted in, and may in the future result in, delays or the inability of Patient Square, General Partners, the Funds and/or their affiliates to obtain regulatory and other approvals in a timely manner.

Enhanced Scrutiny and Regulation of the Private Equity and Financial Services Industries. The Funds' ability to successfully implement their investment strategies, as well as the ability of the Firm to conduct its operations, is based on laws and regulations that are subject to change through legislative, judicial or administrative action and could be adversely affected by future legislative, judicial or administrative action.

There has been significant discussion in recent times regarding enhanced governmental scrutiny and increased regulation of the private investment fund and financial services industries. In the aftermath of the global financial crisis in 2008, there have been unprecedented legislative and regulatory actions taken by numerous governments and their agencies. This enhanced oversight and regulation, and the potential for significant additional rule-making by various governmental bodies, has created uncertainty in the financial markets, including the private fund industry. Many of the regulators to which the Funds, General Partners, Patient Square or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding does not result in a sanction or the sanction(s) imposed against the Funds, General Partners, Patient Square or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the reputations of the Funds, General Partners, Patient Square or their respective affiliate, which may adversely affect the Funds' investment performance by hindering their ability to obtain favorable financing or consummate a potentially profitable investment.

The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds and their activities may adversely affect the value of investments held by the Funds and the ability of the Funds to effectively deploy their investment strategies and manage and operate portfolio companies in a manner that maximizes Limited Partner returns. Increased scrutiny and potential legislation applicable to private investment funds and their sponsors may also impose significant administrative burdens on Patient Square and may divert time and attention from portfolio management activities. In addition to, and in particular in light of, the changing global regulatory climate, Patient Square, the General Partners and/or the Funds may be required to register under certain foreign laws and regulations, and need to engage distributors or other agents in certain non-U.S. jurisdictions in order to market the interests to

potential Investors. The effect of any future regulatory change(s) on the Funds could be substantial and adverse.

Any further increases in the regulations applicable to private investment funds generally or the Funds, the General Partners and/or Patient Square in particular may result in increased expenses associated with the Funds; activities and additional resources of Patient Square being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for Investors in the Funds or have an adverse effect on the ability of the Funds to effectively achieve their investment objectives.

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Patient Square and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Patient Square and its affiliates, a Fund and/or its investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to a Fund.

There can also be no assurance that any of the foregoing will not have an adverse impact on Patient Square or otherwise impede the Funds' ability to effectively implement their investment strategies.

Legislative and Political Changes. The current administration has indicated that it intends to seek to enact changes to numerous areas of law and regulations currently in effect. Any such changes could significantly impact the Funds or their investments. Specific legislative and regulatory proposals might materially impact the Funds including, changes to trade agreements, immigration policy, import and export regulations, tariffs and customs duties, income tax regulations and the federal tax code (including added scrutiny of Management Fees, taxation of carried interest and use of management fee and carried interest waivers), public company reporting requirements and antitrust enforcement.

Changes in federal policy, including tax policies, and at regulatory agencies occur over time through policy and personnel changes following elections, which lead to changes involving the level of oversight and focus on the financial services industry or the tax rates paid by corporate entities. The nature, timing and economic effects of potential changes to the current legal and regulatory framework affecting financial institutions under the current administration remain highly uncertain. Future changes may adversely affect the Funds' operating environment and therefore the Funds' businesses, operating costs, financial conditions and results of operations, together with the incentives faced by Patient Square.

Environmental, Health and Safety ("EHS") Matters. Certain portfolio companies may be subject to federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment, worker health and safety and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and wastes (including medical, infectious, and pharmaceutical wastes). Portfolio companies could incur significant expenditures in order to comply with existing or future EHS laws, and actual or alleged violations of EHS laws or permit requirements could result in restrictions or prohibitions on

company operations or civil or criminal sanctions. Additionally, the risk of accidental contamination or personal injury or property damage relating to hazardous substances and wastes cannot be eliminated, which could result in litigation or claims against a company and, under some environmental laws, the assessment of strict liability and/or joint and several liability for investigating and cleaning up contamination on or from its properties or at off-site locations where it disposed or arranged for the disposal or treatment of hazardous substances or wastes. Moreover, changes in EHS regulations could inhibit or interrupt the operations of portfolio companies, or require portfolio companies to modify their facilities or operations. Accordingly, EHS matters may cause portfolio companies to incur significant unanticipated losses, costs or liabilities, which could reduce their profitability.

Political Risk; Current and Future Health Care Reforms. Political events, such as elections on federal, state, and local levels, can have an impact on health care companies throughout the health care sector (e.g., provider platforms, medical device manufacturers and suppliers, pharmaceutical, biotechnology companies, etc.). There can be no guarantee that the government's role in the health care industry will not adversely impact the performance of the Funds. There continues to be significant interest among policy makers and governmental and private payors in the United States as well as foreign jurisdictions in promoting changes in the health care industry to contain health care costs, increase access to care for those in need, navigate transparency issues such as surprised billing and improve the overall quality of care and wellness, which is frequently referred to as increased coordinated and value based care. In connection with efforts to increase access to care, on March 23, 2010, President Obama, signed into law the Patient Protection and Affordable Care Act, which Congress modified pursuant to the Health Care and Education Reconciliation Act of 2010 (collectively, the "PPACA"). The PPACA expanded insurance coverage to more individuals, which could have a negative impact on various sectors within the health care industry. While the Funds cannot predict which future regulations will be adopted, or eliminated, or what affect adopted regulations, including the future and substance of the PPACA may have on the health care companies in which the Funds invest, the pendency, repeal, approval or implementation of such regulations and laws could decrease the Funds' anticipated returns or adversely affect their investment opportunities.

Cybersecurity Breaches; Identity Theft; Protected Health Information. The information and technology systems of Patient Square, the General Partners, the Funds and their portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, Patient Square, a General Partner, a Fund and/or a portfolio company likely will have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Patient Square, a General Partner, a Fund and/or a portfolio company and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to a Fund's Investors (and the beneficial owners of such Investors). Such a failure could harm the reputations of Patient Square, a General Partner, a Fund and/or a portfolio company, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to circumvent network security electronically or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary

to gain access. Such a failure or breach could also harm Investors (e.g., in the event identity theft or otherwise obtaining access to Investor accounts). Cyber-attacks often also take the form of socially- engineered frauds, such as “phishing.” Third parties often also attempt to fraudulently induce employees, customers, third-party service providers or other users of Patient Square’s systems to disclose sensitive information in order to gain access to Patient Square’s data or that of a Fund’s Investors or portfolio companies. Companies have also been subject to “ransomware” attacks.

To the extent that any of Patient Square, a General Partner, a Fund, a portfolio company or their respective service providers is subject to cyber-attack or other unauthorized access is gained to such entity’s information technology system, Patient Square, General Partner, such Fund and/or such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; (v) cash; or (vi) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Patient Square, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Patient Square’s, the Funds’, portfolio companies’ and/or service providers’ operations, including the ability to make distributions to Limited Partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors). Similarly, such a security breach could disrupt or halt such entities’ operations for an indefinite period of time. In certain events, the failure or deemed failure of Patient Square, General Partners, a Fund and/or a portfolio company to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Such cybersecurity and disaster recovery incidents could also result in reputational harm to Patient Square, a General Partner, a Fund and/or any affected portfolio company. Any of such circumstances could subject Patient Square, a General Partner, a Fund or its portfolio companies to substantial losses. The foregoing risks are equally applicable to service providers of Patient Square, a General Partner, a Fund and its portfolio companies.

Furthermore, certain portfolio companies in the health care industry may be subject to more stringent penalties in the event protected health information is improperly used, accessed, stored or disclosed due to laws such as Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). Portfolio companies may need to expend additional capital, software development and other resources to modify products and services to address these evolving data security and privacy issues. Any failure to maintain confidentiality of sensitive protected health information in accordance with the applicable regulatory requirements could damage a portfolio company’s business, reputation and expose it to claims, fines and penalties.

Privacy and Data Protection Law Compliance Risk. The Firm, the Funds, and their portfolio companies are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business (collectively, “Privacy Laws”). As new and existing privacy, data protection and information security laws are enacted, implemented, interpreted and applied across the relevant jurisdictions, compliance costs may increase and require the dedication of additional time and resources, particularly in the context of ensuring that adequate

data protection and data transfer mechanisms are in place. Certain jurisdictions, including other U.S. states, have proposed, adopted or are considering similar Privacy Laws which if enacted could impose significant costs, potential liabilities, and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens and the potential for significant liability on regulated entities.

National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“CFIUS”), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund’s performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners’ ability to invest in U.S. businesses (or to exercise voting or advisory committee rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow a Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

Sanctions Compliance Considerations. Economic and trade sanctions laws in the United States and other jurisdictions may prohibit or otherwise restrict the General Partners, the Funds, their portfolio companies and their respective officers, directors and employees from engaging in transactions in or relating to certain countries and relating to certain individuals and entities. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and U.S. Department of State administer and enforce laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These persons and entities include “specially designated nationals” and other persons and entities targeted by OFAC sanctions programs. The lists of OFAC restricted countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC and other regulators prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC and other regulators. These types of sanctions and similar laws and regulations in non-U.S. jurisdictions may significantly restrict the Funds’ direct or indirect investment activities in certain countries. Moreover, sanctions laws and regulations change frequently, and it may be challenging for the Funds to ensure consistent compliance with these laws and regulations. The economic and trade sanctions and related laws of different jurisdictions in which the Funds make investments also may conflict with one another, such that compliance with all applicable laws may be difficult. Failure by the General Partners, the Funds or any of the Funds’ portfolio companies to comply with OFAC or other

relevant sanctions could have serious legal and reputational consequences, including civil and criminal penalties. Moreover, if an investor becomes designated by OFAC or another sanctions authority as a restricted or prohibited person, or becomes owned or controlled by one or more such restricted or prohibited persons, the Funds may be required to cease any transactions or further dealings with the investor and its interest in the Funds, until such restrictions or prohibitions are lifted or a license is sought and received under applicable law to continue transactions or dealings.

Foreign Investment Controls. Foreign investment in securities of companies in certain of the countries in which the Funds may invest may be restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses of the Funds. While regulation of foreign investment has liberalized in recent years throughout much of the world, there can be no assurance that more restrictive regulations will not be adopted in the future. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales by foreign investors and foreign currency. The Funds could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities held by the Funds, and income on such securities or gains from the disposition of such securities may be subject to withholding taxes imposed by certain countries where the Funds invest or in other jurisdictions.

Conflicts of Interest

Patient Square and its affiliates engage in a broad range of advisory and non-advisory activities, including, investment activities for the Funds and other Clients and potentially for other investment products, such as SPACs (collectively with the Clients, "Patient Square Accounts") and for their own accounts and providing transaction-related, management, legal, and other services to the Patient Square Accounts and portfolio companies. There can be no assurance that Patient Square will resolve all conflicts in a manner that is most favorable to any Patient Square Account. The following is a summary of conflicts of interests related to an investment in a Fund, and each prospective Investor should carefully review the full discussion of conflicts of interests in the applicable Governing Documents.

Time and Resources

Patient Square will devote such time, personnel, and internal resources as are necessary to conduct the business affairs of the Patient Square Accounts in an appropriate manner as required by the applicable Governing Documents, although the Patient Square Accounts and their respective investments will place varying levels of demand on these over time. In the ordinary course of Patient Square conducting its activities, the interests of any Patient Square Account likely will conflict with the interests of Patient Square, its personnel, one or more other Patient Square Accounts, portfolio companies, or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Patient Square will determine all matters relating to structuring transactions and the Patient Square Accounts and other operations using its reasonable judgment and considering all factors it deems relevant in its sole discretion, subject in certain cases to the required approvals by the Advisory Board of the relevant Patient Square Account (as applicable). Additionally, the Managing Partner will devote time and attention to, and have material participation in connection with, certain outside interests and activities, including an active ownership interest in a preexisting personal business (dating

back more than ten years) unrelated to investing in securities, board positions and other relationships and engagements with health care-related companies that are not affiliated with the Firm and customary family office activities. These activities will create conflicts of interest in the allocation of the Managing Partner's time and attention to a Fund. Without limitation, Patient Square principals currently hold investments in their personal capacities, and in the future expect to make other investments in industries and companies similar to those in which a Fund will be invested, and expect to spend time overseeing such investments. Patient Square principals have relationships throughout the health care industry and believe such personal investments provide opportunities for networking and deal sourcing within the industry that will benefit Patient Square and the Funds. Patient Square personnel reserve the right to make personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Patient Square's principals and Patient Square's investment staff will continue to make and monitor such investments until their realization. Such other investments that Patient Square principals expect from time to time to make generally have the potential to compete with companies acquired by a Fund. To the extent an investment opportunity is received that is unsuitable for a Fund, in Patient Square's sole discretion, Patient Square and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Patient Square personnel are permitted to serve on boards or act in other roles unaffiliated with Patient Square, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees or be shared with Investors.

Investment Allocation

From time to time, Patient Square will be presented with investment opportunities that would be suitable for a Patient Square Account, but also for other Patient Square Accounts. In determining which Patient Square Account should participate in such investment opportunities, Patient Square and its affiliates are subject to conflicts of interest among the Investors in such investment vehicles. Except as required by the relevant Governing Documents and Patient Square's investment allocation policy, which may be amended from time to time ("Investment Allocation Policy"), Patient Square is not obligated to recommend any investment to any particular Patient Square Account. Investments by more than one Patient Square Account in a portfolio company also have the potential to raise the risk of using assets of certain Patient Square Accounts to support positions taken by other Patient Square Accounts.

Patient Square must first determine which Patient Square Account will, or are required to, participate in the relevant investment opportunity. Patient Square generally assesses whether an investment opportunity is appropriate for a particular Patient Square Account based on the relevant Governing Documents, as well as factors including, but not limited to, the following considerations: (i) the investment professionals that sourced the relevant investment opportunity; (ii) the investment focus and objective of each relevant Patient Square Account; (iii) the expected amount of capital required to make the investment as well as each relevant Patient Square Account's current and projected capacity for investing (including for any potential follow-on investments); (iv) the relevant Patient Square Account's targeted rate of return and investment holding period; (v) the stage of development of the prospective investment; (vi) the existing portfolio of investments of the relevant Patient Square Account; (vii) the investment opportunity's

risk profile; (viii) the expected life cycle of the relevant Patient Square Account; (ix) any investment targets or restrictions (e.g., industry, jurisdiction, size, etc.) of the relevant Patient Square Account; (x) the ability of the relevant Patient Square Account to accommodate structural, timing, and other aspects of the investment process; and (xi) legal, tax, contractual, regulatory, fiduciary, or other considerations. Each Patient Square Account generally reserves the right to invest together with Patient Square Accounts advised by Patient Square or an affiliate in the manner set forth in the Governing Documents and Patient Square's Investment Allocation Policy. Patient Square will determine the allocation of investment opportunities among its Clients in a manner that it believes is fair and equitable to its Clients under the circumstances over time consistent with Patient Square's obligations and reserves the right to take into consideration factors such as those set forth above. In other circumstances, during the period that a portfolio company is owned, directly or indirectly, by a Fund, it could acquire size, revenue or other characteristics that would make it a suitable investment for one or more other Funds.

Patient Square's allocation of investment opportunities in the manner discussed above often will not result in proportional allocations among all Patient Square Accounts. Different economic arrangements among Patient Square Accounts will also create an incentive for Patient Square or its personnel to allocate certain co-investment opportunities (for example, those that are expected to generate higher carried interest) to the Patient Square Accounts with greater economic potential for Patient Square or such personnel (e.g. those with higher Management Fees and/or performance-based fees). While Patient Square allocates investment opportunities in a manner that it believes in good faith is fair and equitable to its Clients under the circumstances over time, and considering relevant factors discussed above, there can be no assurance that the actual allocation of an investment opportunity or the terms on which that allocation is made will be as favorable as it would have been if the conflicts of interest to which Patient Square is subject, discussed herein, did not exist. Furthermore, the application of Patient Square's Investment Allocation Policy is a fact-intensive exercise. While Patient Square will base its allocation decisions on the information available at the time of the decision, this information may prove, in retrospect, to be incomplete or otherwise flawed. The weight Patient Square ascribes to certain factors will also evolve over time in response to, among other things, changes in market conditions, competition for investments, pace of investments, and the mix of opportunities available to a Fund.

Co-Investments

In connection with determining the allocation of co-investment opportunities, Patient Square will, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, including other sponsors, market participants, finders, members of the Value Creation Functions, Senior Advisors, vendors, service providers and other third parties, members of a SPAC Team (as defined below), Patient Square personnel and/or certain other persons associated with a General Partner and/or its affiliates, in accordance with the relevant Governing Documents, Side Letters and Patient Square's Investment Allocation Policy which may reduce the availability of investment opportunities to the Patient Square Accounts. The allocation of co-investment opportunities, which is permitted to be made to one or more persons for any number of reasons as determined by Patient Square in its sole discretion, may not be in the best interests of the Funds or any individual Limited Partner. Patient Square's procedures permit it to take into consideration, in its discretion, a variety of factors in making such determinations, including but not limited to: (i) whether the prospective co-investor has expressed an interest in evaluating co-investment opportunities, including the perceived degree of that

interest; (ii) the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment; (iii) the prospective co-investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective co-investor's investment process), and to otherwise successfully and efficiently execute the transaction, in a timely manner with respect to the timeframe in which Patient Square believes favorable transaction terms may be achieved based on their history of consummating co-investment opportunities; (iv) any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status); (v) confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vi) Patient Square's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Patient Square's ability to execute the relevant transaction in the desired time or on desired terms; (vii) the size of the investment allocation available to Patient Square (and not being allocated to the Patient Square Accounts) and the practicality of splitting the allocation into smaller tranches; (viii) the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number of Investors that can realistically participate in the transaction; (ix) any requirements of any third-party lenders as to the identity of any Investors participating as co-investors, as to the creditworthiness of any co-investors, as to the number of co-investors, or as to other matters with respect to the Investors in the transaction; (x) whether the prospective co-investor is considered "strategic" to the investment because it is able to offer a Patient Square Account or Patient Square or its affiliate certain services or benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether Patient Square believes that allocating investment opportunities to an Investor or person will help establish, recognize, strengthen and/or cultivate relationships (including formal or informal strategic relationships) that have the potential to provide longer-term benefits to any of the relevant portfolio companies, Patient Square Account, Patient Square or its affiliates; (xi) whether the prospective co-investor has a history of consummating co-investment opportunities with Patient Square or its affiliates; (xii) whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; (xiii) the likelihood that the prospective co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the underlying portfolio company, or material informational rights) that would complicate or jeopardize the transaction (or, alternatively, where the Investor would be willing to defer to Patient Square and assume a more passive role in governing the investment); (xiv) whether the prospective co-investor has any interests in any competitor of the underlying investment; (xv) the expected investment holding period; (xvi) the services provided by the prospective co-investor to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment); (xvii) the size and/or timing of the prospective co-investor's interest to be held in the underlying portfolio company as a result of a Patient Square Account's investment (which is likely to be based on the size of the prospective co-investor's capital commitment and/or investment in such Patient Square Account); (xviii) the size of the prospective co-investor's commitment to a Fund; (xix) whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that

are relevant to the transaction, including the need for early or recurring distributions; (xx) the extent to which the prospective co-investor has previously been provided a greater amount of co-investment opportunities relative to other prospective co-investors; and (xxi) the likelihood that the prospective co-investor may invest in a future fund sponsored by Patient Square or its affiliates and other factors that Patient Square considers important in connection with the specific transaction or investment. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or Co-Invest Vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund Investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or Co-Invest Vehicle generally occurs shortly after a Fund's completion of the investment to avoid any changes in valuation of the investment but in certain instances could be well after a Fund's initial purchase.

In addition, from time to time, the Firm, in order to consummate a transaction or facilitate the acquisition of a portfolio company and ensure the Funds are afforded an investment opportunity or otherwise, may cause the Funds to fund (or commit to fund) on behalf of certain co-investors (whether or not identified at the time of such Commitment) with a view to selling down a portion of such investment to such co-investors or other persons at a later time or prior to or within a period after the closing of the acquisition. When selling down or syndicating an investment, the Firm generally will value interests for the co-investors at the cost in which the relevant Fund made its investment, unless the Firm has reason to believe (in its sole discretion) that such value should be adjusted to account for fair market value. There is no guarantee that the purchase price by the co-investors will appropriately compensate a Fund for the costs and risks incurred during the holding period. If a Fund does not find co-investors and/or in the event that the co-investors breach their covenants to purchase the investment from a Fund, such Fund will have an allocation to an investment that is larger than originally anticipated. In addition, such Fund will bear the risk that any or all of the excess portion of such investment could only be sold on unattractive terms. If the excess portion of such investment has not been sold, the Fund may bear the entire portion of any other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company and could realize lower than expected returns from such investment.

Where appropriate, and subject to the limitations set forth in the relevant Governing Documents, Patient Square reserves the right to charge interest on the purchase by the co-investor or Co-Invest Vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund. Patient Square has granted certain Limited Partners the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities, or to enter into arrangements that create economic incentives for Patient Square to provide co-investment opportunities to certain Limited Partners. Such co-investment rights would generally not apply to co-investment opportunities in those portfolio companies in which Patient Square does not hold a controlling interest and is not leading the offering process and/or the resulting co-investment allocations, even if the co-investments are facilitated by Patient Square and/or made through Co-Investment Vehicles. Granting such rights creates conflicts of interest for Patient Square regarding the allocation of investment opportunities

because Patient Square will have an economic incentive to provide co-investment opportunities at the expense of the Funds' allocation to portfolio investments in order to avoid a diminution of Patient Square's Fund economics in respect of the recipient Limited Partner. In addition, while all fees, costs, expenses, liabilities and obligations relating to any non-consummated investment will generally be borne by the relevant Fund and not by third-party co-investors, Patient Square will allocate a *pro rata* share of such amounts (as determined by Patient Square in good faith) to its affiliated personnel based upon their authorized or actual co-investment allocations. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund. Patient Square expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund, because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

Furthermore, Patient Square or its related persons and its affiliates expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender, co-sponsor or co-underwriter. Additionally, from time to time, certain service providers may seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to Patient Square, a Patient Square Account and/or a portfolio company in connection with the services provided. Patient Square has a conflict of interest with respect to such arrangements because providing co-investment rights may be more economically advantageous to Patient Square than paying cash compensation and offering co-investment opportunities to such service providers, limiting the availability of co-investment opportunities for others.

Co-investment opportunities typically will be offered to some and not to other Investors, and the consideration of the factors set forth above likely will result in certain Investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that employees and related persons of Patient Square and

its affiliates make capital investments in or alongside certain Funds, Patient Square and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Patient Square Account's return from a transaction would be equal to and not less than another Patient Square Account participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Additionally, conflicts of interest may arise in the allocation of co-investment opportunities to the extent that such allocation may benefit Patient Square instead of, or more than, the Funds, or is not in the best interests of the Funds or any individual Limited Partner. For example, in some cases, an ad hoc Co-Invest Vehicle may be formed in connection with the consummation of a transaction and such entity will bear expenses related to its formation and operation. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial to the transaction, ultimately is not consummated, the full amount of any fees and expenses or other liabilities or obligations (including broken deal fees and expenses) generated in the course of evaluating any such proposed transaction generally would be borne by the Funds, and not by any potential co-investors that would have participated in such transaction (regardless of whether any co-investor(s) had yet been identified or confirmed, or whether any Co-Invest Vehicle had yet been formed in connection with the relevant transaction). However, (i) to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, to the extent such a vehicle is offered by Patient Square, and where permitted by such vehicle's governing documents, such vehicle is expected to bear its share of expenses, and (ii) Patient Square will allocate a *pro rata* share of such expenses (as determined by Patient Square in good faith) to its affiliated personnel based on their authorized or actual co-investment allocations, provided that the co-investors in such vehicle may negotiate caps on expenses, in which case the Funds would bear more than their *pro rata* share of expenses. Patient Square reserves the right, in its sole discretion, to charge a management fee and obtain a carried interest in respect of any co-investment. Any fees, carried interest or other compensation such as transaction fees received in connection with a co-investment does not reduce or offset the Management Fee. As a result, Patient Square will face incentives to allocate more investment opportunities to Co-Invest Vehicles in order to minimize Fund expenses and maximize fee income.

If a Co-Invest Vehicle co-invests with a Fund, or invests in an existing portfolio company of a Fund, conflicts of interest are likely to arise with respect to such Co-Invest Vehicle and such Fund, including conflicts similar to those described under the heading "Common Investments" below (for example and without limitation, with respect to the allocation of disposition opportunities among such Co-Invest Vehicle and such Fund). Patient Square and/or its affiliates will allocate such disposition opportunities between such Co-Invest Vehicle and such Fund as they determine in their sole discretion (subject to any specific requirements in the Governing Documents for such Fund and/or such Co-Invest Vehicle), taking into consideration those factors that they consider to be relevant under the circumstances (including those described under the heading "Common Investments" below).

Patient Square reserves the right to cause a Fund to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. A Fund may not have control over these companies and, therefore, may have a limited ability to protect its position therein. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may have financial difficulties

resulting in a negative impact on such portfolio company, may at any time have economic or business interests or goals that are inconsistent with those of a Fund, may cause the investment to be reviewable by CFIUS or another U.S. or other national security investment clearance regulator, or may be in a position to take action contrary to the investment objectives of a Fund or narrow the array of potential exit strategies for a Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that a Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Patient Square has created several Executive Funds to co-invest alongside the Funds for certain Investors associated with Patient Square, including certain employees of and service providers to Patient Square and/or its affiliates, executives of companies in which such principals previously have invested, been employed or otherwise been associated in which or the Funds are currently investing, strategic partners or relationships of Patient Square, members of the Value Creation Functions, Senior Advisors, members of a SPAC Team, family members of the foregoing persons and certain others. The Commitments to these Executive Funds and their level of participation in Fund investments are permitted to be increased or decreased with respect to particular Fund investments, subject to the limitations set forth in the relevant Governing Documents. This creates the ability for Patient Square to increase the participation of an Executive Fund in the investments expected to offer the highest returns (thereby diluting the participation of Investors in the Funds), while limiting an Executive Fund's participation in less attractive opportunities (thereby causing Investors in the Funds to have higher exposure). This could also create differing interests from the Funds with respect to such investments (for example, with respect to the availability and timing of liquidity).

Without limiting the foregoing and independent of any investments made by an Executive Fund, Patient Square, in its sole discretion, intends in certain circumstances to offer to certain affiliated personnel the opportunity to co-invest with a Fund in certain investment opportunities in which they are, or are expected to be, involved in a fixed proportion to such Fund's aggregate investment therein, and such investments may not be on the same terms or made at the same time as the corresponding investment by a Fund. Such co-investments create an incentive for Patient Square to allocate the investment opportunities expected to offer the highest returns to its affiliated personnel, thereby depriving a Fund and its Limited Partners of a portion of those opportunities in which they would otherwise participate. However, Patient Square will disclose the aggregate amount of such co-investments to such Fund's Advisory Board and believes that by doing so, Patient Square and its personnel will be incentivized to exercise this discretion fairly and equitably.

Secondary Transactions

In certain cases, Patient Square will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Patient Square Account. In such cases, Patient Square will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Patient Square Account interests should be offered to one or more existing Patient Square Account Investors.

To the extent that Patient Square has discretion to consent to a transfer of an interest in the Funds pursuant to the Governing Documents, and subject to any restrictions therein, the Firm is authorized to identify one or more persons (including Investors in one or more Patient Square Accounts or persons that are not Investors, but may in the future invest, in any Patient Square Accounts) to potentially acquire such interest, and may take into consideration a variety of factors as it deems necessary in exercising its discretion with respect to such a transfer.

Capital Structure Conflicts

Where multiple Patient Square Accounts invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. Conflicts also may arise for Patient Square as between multiple Patient Square Accounts (including the Funds) in connection with the negotiation of the price of the debt securities or other instruments, the characterization of such debt securities or other instruments, the terms of inter-creditor agreements, the interest rate or stated dividend yield of such debt securities or other instruments, the nature of the covenants running in favor of lenders and the other terms and conditions of the investment or in addressing subsequent amendments or waivers. Other conflicts may arise in cases where one Patient Square Account desires optimal flexibility to grow its portfolio company, while another Patient Square Account, as a holder of debt interests and/or other securities in the same company, would be benefitted by placing tighter restrictions on the type and the amounts of such company's permitted investments and acquisitions. For example, another Patient Square Account may have an interest in pursuing, on behalf of its portfolio company, an acquisition that would increase indebtedness, a divestiture of revenue-generating assets or other similar transactions that may enhance the value of the equity investment with respect to such Patient Square Account but that would potentially also increase the risk of another Fund's investment in such company. In troubled situations, certain decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to Patient Square Accounts that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Patient Square Accounts could or could not provide such additional capital, and if provided, each Patient Square Account generally will supply such additional capital in such amounts, if any, as determined by Patient Square in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Patient Square expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of a Patient Square Account versus other Patient Square Accounts (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). The action taken by one Patient Square Account may be adverse to other Patient Square Accounts, particularly in the case of financial distress of a portfolio company. Further, Patient Square is expected to sponsor one or more funds that focus on credit-focused strategies and/or provides private debt to a variety of borrowers, including portfolio companies in which a Fund have invested or will invest equity.

If a Patient Square Account enters into any indebtedness with another Patient Square Account on a joint and several basis, the applicable General Partner(s) are expected to enter into one or more agreements that provide each Patient Square Account with a right of contribution,

subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Patient Square expects to be subject to potential conflicts of interest, for example between a Patient Square Account with a reimbursement obligation and other Patient Square Accounts seeking reimbursement. In certain circumstances, Patient Square is expected to be prohibited from exercising (or Patient Square may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Patient Square Account or the other may be subject to creditor claims regarding subordination of interests. Patient Square intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Patient Square to bear its proportionate share of the applicable indebtedness.

Broker-Dealer Affiliate

Patient Square may, in the future, organize an affiliated broker-dealer that is registered with the SEC and FINRA (the “Broker-Dealer Affiliate”). In the event such Broker-Dealer Affiliate is created, it will likely participate in transactions involving the Funds’ portfolio companies, including as an underwriter or advisor in a primary or secondary offering of a portfolio company’s securities or as an arranger (or in a similar capacity) with respect to loans or other debt instruments. The fees that the Broker-Dealer Affiliate may receive in these transactions would typically be borne by the Funds or the relevant portfolio company, as applicable, and would not be treated as Transaction Fees nor would such fees reduce or offset the Management Fee.

The Broker-Dealer Affiliate’s ability to participate in these transactions will give rise to conflicts of interest given its affiliated relationship with the Firm. In general, Patient Square will have an incentive to exercise its control or influence over the Funds or a portfolio company’s management team so that it retains the Broker-Dealer Affiliate, or otherwise transacts with the Broker-Dealer Affiliate, instead of other unaffiliated broker-dealers or counterparties even if the Broker-Dealer Affiliate does not offer the best price, terms or execution capabilities. When involved in a particular transaction, the Broker-Dealer Affiliate (and any syndicate of which it is a part) will have an incentive to seek higher fees from the Funds and/or relevant portfolio company. In addition, the Broker-Dealer Affiliate could influence the placement of portfolio company securities or loans so that Investors that are strategically important to Patient Square receive an allocation ahead of others, and the Broker-Dealer Affiliate can receive a placement fee for doing so.

Common Investments

Additional conflicts of interest could arise if a Fund makes an investment in a portfolio company in conjunction with an investment made by another Patient Square Account (such investment, a “Common Patient Square Account Investment”). For instance, a Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Patient Square Account. This may result in differences in price, investment terms, leverage and associated costs between a Fund and any other Patient Square Account, and therefore may result in a different return for the Patient Square Accounts. Further, given that certain Patient Square Accounts are established sequentially, the general partners (or equivalent) of such Patient Square Accounts participating in a given transaction often will desire, or will be required, to sell Common Patient Square Account Investments at different times, including at times when general partners (or equivalent) of other Patient Square Accounts that hold the same investment with more time remaining in their term do not wish to sell such investments. The Firm and its affiliates may express inconsistent views of Common Patient

Square Account Investments or of market conditions more generally. Investments by more than one Patient Square Account in a portfolio company can also raise the risk of using the assets of one Patient Square Account to support positions taken by other Patient Square Accounts, or that a Patient Square Account remains passive in a situation in which it is entitled exercise voting or other rights. To the extent a Patient Square Accounts sells its interest in a Common Patient Square Account Investment to a third-party, it may impact the value of the other Patient Square Account's interest in such investment, and will give rise to the co-venturer risks. Subject to the limitations set forth in the relevant Governing Documents, the Funds' investments in, or divestments from, Common Patient Square Account Investments is not required to occur at the same time or on the same terms as that of other Patient Square Accounts participating in the investment, and accordingly, there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other Patient Square Accounts participating in the transactions. To the extent that multiple Patient Square Accounts hold an interest in the same portfolio company and desire to divest at the same time, Patient Square intends to allocate any disposition opportunities with respect to that investment on a basis that it believes is fair and equitable to each Patient Square Account relevant to other Patient Square Account taking into account relevant facts and circumstances, including without limitation, the relative ownership percentages of the Patient Square Accounts in the applicable portfolio company, the length of time remaining in a Patient Square Account's term and other factors similar to those discussed above regarding the allocation of investment opportunities.

Generally, in the event of a Common Patient Square Account Investment, Patient Square will allocate the costs and expenses incurred by Patient Square or its affiliates and the fees received by Patient Square or its affiliates (including the Senior Advisors and the Value Creation Functions) across the relevant Patient Square Accounts in a manner that it believes is fair and equitable to the Patient Square Accounts under the circumstances over time and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion.

Conflicting Investor Interests

Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. These conflicting interests may relate or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the Firm, including with respect to the nature or structuring of investments that may be more beneficial for one Investor, including the Firm, than for another Investor, especially with respect to Investors' individual tax situations. In addition, the Funds may make investments that may have a negative impact on related investments made by the Limited Partners in separate transactions including co-investments.

In selecting, structuring, acquiring and disposing investments appropriate for the Funds, Patient Square will consider the investment and tax objectives of the Funds and the Limited Partners as a whole (and Investors in any other investment vehicles managed or advised by Patient Square that participate in the same investments as a Fund), not the investment, tax or other objectives of any Limited Partner individually. In addition, the interests held by a relatively small number of Limited Partners may be significantly larger than those held by other Limited Partners, which could have a material impact on the outcome of matters requiring Limited Partner consent or approval.

Potential conflicts are expected to arise when and to the extent a Patient Square Account (including a Co-Invest Vehicle) makes investments in conjunction with an investment being made by another Patient Square Account, or if it were to invest in the securities of a company in which another Patient Square Account has already made or holds an investment. Conflicts of interest will arise in connection with making, holding and disposing of such investments, including, without limitation, with regard to valuation and terms of investment, exit timing, or terms and other matters. For example, if one or more Patient Square Accounts invests in a portfolio company of another Patient Square Account at a higher implied valuation than the valuation implied by the financing round in which the initial Patient Square Account participated, such subsequent financing round may significantly delay exit opportunities for the Patient Square Account with the preexisting investment and may incentivize Patient Square to cause such Patient Square Account to hold the securities of such portfolio company for a longer period than it otherwise would. Even if investments by two or more Patient Square Accounts are made at the same time and in the same proportions, and in the same security or other asset types, conflicts may arise because of different liquidity needs and different time horizons among such Patient Square Accounts.

In addition, where multiple Patient Square Accounts invest in the same company at different times, the first Patient Square Account to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Patient Square Accounts; similarly, to the extent a transaction does not proceed, the first Patient Square Account to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Patient Square Accounts could or would have invested in the company in potential future transactions. A Patient Square Account may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Patient Square Accounts. This likely will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Patient Square Account and the other Patient Square Accounts or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Patient Square and its affiliates may from time to time express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Patient Square Account's investments will be the same as the returns obtained by other Patient Square Accounts participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to multiple Patient Square Accounts. In that regard, actions taken for one or more Patient Square Accounts may adversely affect other Patient Square Accounts. A Patient Square Account's investment in, or divestment from, investments in which other Patient Square Accounts are also invested may not, under the terms of the relevant Governing Documents, be required to occur at the same time or on the same terms, and accordingly, there can be no assurance that any Patient Square Account's return on such an investment will be the same as the returns achieved by any other Fund participating in the transactions.

Allocation of Fees and Expenses

Subject to any relevant restrictions or other limitations contained in the Governing Documents and Patient Square's Expense Allocation Policy, which may be amended from time to time, Patient Square will allocate fees and expenses in a manner that it believes is fair and equitable to its Clients under the circumstances over time and considering such factors as it deems relevant, and as further provided in the Governing Documents of any Client, but in any case in its sole discretion. In exercising such discretion, Patient Square expects to be faced with a variety of

potential conflicts of interest. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on number of co-investors or Patient Square Accounts receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has a greater benefit to the Funds, Patient Square and/or its affiliates. Further, Patient Square reserves the right to consider each relevant Fund's strategy as a component of its allocation of investment expenses, and as a general matter, will not allocate expenses associated with one Fund's equity investment to a different Fund's credit investment, or vice versa, even if the two investments are in the same portfolio company.

As a general matter, Patient Square Account expenses typically will be allocated among all relevant Patient Square Accounts eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by Patient Square or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion.

Portfolio Company Appointments

As a result of the Funds' controlling interests in portfolio companies, Patient Square and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Patient Square personnel, VCF Personnel, Senior Advisors or persons acting at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Patient Square, its affiliates, Senior Advisors or VCF Personnel. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by the relevant Fund(s) and/or other Client(s) to Patient Square. Such board members may even execute contracts with a Fund or Patient Square on behalf of such portfolio company. Patient Square's authority to appoint or influence the appointment of portfolio company board members who are involved in approving compensation payable to Patient Square subjects Patient Square and any such portfolio company board appointees to potential conflicts of interest. Decisions made by a director will potentially subject Patient Square, a Fund or their respective affiliates to claims they would not otherwise be subject to as an Investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. From time to time, employees or other personnel of Patient Square, Patient Square or their respective affiliates (including VCF Personnel and Senior Advisors) are likely to also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest. Any compensation received by such personnel in connection therewith will not be offset against the Management Fee or otherwise be shared with a Fund and/or Limited Partners. It is likely that personnel of Patient Square will serve on boards other than boards of portfolio companies, and that such board service may create legal, business, or other conflicts with such personnel's service on portfolio company boards, in which case Patient Square would have a conflict of interest that may result in such personnel not serving on a portfolio company board and thereby reducing a Fund's effectiveness or influence at that particular portfolio company.

Additionally, a portfolio company typically will reimburse Patient Square or service providers retained at Patient Square's discretion for expenses (including without limitation travel expenses) incurred by Patient Square or such service providers in connection with their performance of services for such portfolio company. This subjects Patient Square and its affiliates to conflicts of

interest because the Clients generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Patient Square determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

Secondees

In certain circumstances, current or former Patient Square personnel are expected to serve in interim or part-time roles at portfolio companies, or may provide services to portfolio companies as secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at Patient Square. Under such arrangements, Patient Square and/or the relevant portfolio company will pay all or a portion of the compensation in respect of such employees, or could supervise or oversee such employees. Any such arrangements create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships or to former employees generally will not offset or reduce cost to Clients, including the Management Fee. As secondee arrangements are often initiated to meet temporary portfolio company needs, they are expected to change overtime, and in many cases will be ended by Patient Square when the portfolio company is sold, at which point the secondees may or may not return to Patient Square. It is possible that certain Patient Square personnel serve as secondees or other personnel with respect to multiple portfolio companies and perform services that directly or indirectly benefit Patient Square while serving as secondees or other portfolio company personnel.

Portfolio Company Service Providers

Patient Square generally exercises its discretion to recommend to a Client or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Patient Square or a related person of Patient Square (which may include a portfolio company of Patient Square Accounts or other Patient Square Accounts); (ii) an entity with which Patient Square or its affiliates or current or former members of their personnel has a relationship or from which Patient Square or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers; (iii) relationships where Patient Square personnel are seconded, or from which Patient Square receives secondees; (iv) a Senior Advisor or VCF Personnel and (v) certain Limited Partners or their affiliates. For example, Patient Square expects to be presented with opportunities to receive financing and/or other services in connection with the Funds' investments from certain Limited Partners or their affiliates that are engaged in lending or related business. This discretion subjects Patient Square to conflicts of interest, because although Patient Square selects service providers that it believes are aligned with its operational and value creation strategies and will enhance portfolio company performance and, relatedly, returns of the Funds and/or other Patient Square Accounts, Patient Square has a potential incentive to recommend its own services or those of an affiliate because of its own financial or other business interest. There is a possibility that Patient Square, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Funds), relevant Patient Square Accounts or Patient Square, would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Patient Square will not necessarily seek out the lowest cost options when incurring (or causing a Patient Square Account or its portfolio companies to incur) such expenses. Although Patient Square generally seeks appropriate rates

for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where Patient Square commits or has committed to seek “market” or “arms-length” rates or terms, Patient Square will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Patient Square reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, Patient Square undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Patient Square reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Patient Square has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Value Creation Functions

The cost of VCF Services together with overhead, employee benefits, insurance, paid time off, airfare, lodging, meals, entertainment, gifts and certain other associated out-of-pocket expenses incurred in connection with the VCF Services (including director’s or consulting fees), incentive equity or other stock awards and advances, loans and other variable compensation (including variable retainers, cash, bonuses, salaries and guaranteed payments), as well as reimbursement (directly or indirectly through entities established by or affiliated with the Firm through which VCF Services are provided) of overhead, employee benefits, insurance, paid time off, airfare, lodging, meals, entertainment, gifts and certain other associated out-of-pocket expenses incurred in connection with the VCF Services (collectively, “VCF Fees and Expenses”) is expected to be paid and/or reimbursed by portfolio companies or prospective portfolio companies or directly by the Funds, which payments are not included as Transaction Fees and do not offset or otherwise reduce the Management Fee, or are not otherwise shared with the relevant Fund or its Limited Partners, regardless of whether the provider of VCF Services is an employee or affiliate of Patient Square. However, pursuant to the relevant Governing Documents, any VCF Fees and Expenses in the form of compensation paid to VCF Personnel (including cash, guaranteed payments, fees, bonus amounts, and/or other remuneration (other than grants of a General Partner’s carried interest), overheads such as health and welfare benefits, paid time off, insurance, employer portion of payroll taxes, and other personnel costs) that is borne by a Fund and not subsequently reimbursed to such Fund by an affiliate thereof or borne by a portfolio company or prospective portfolio company (“VCF Employee Compensation”) will be subject to an annual cap on compensation paid by a Fund (the “VCF Employee Compensation Cap”). VCF Employee Compensation paid in excess of the VCF Employee Compensation Cap will be borne by Patient Square, but the full amount of VCF Fees and Expenses (regardless of the VCF Employee Compensation Cap) will be excluded from Transaction Fees and will accordingly not offset or otherwise reduce the Management Fees.

In addition, VCF Personnel are permitted to receive certain benefits from Patient Square and/or their affiliates, including, in addition to the aforementioned compensation, office space, email addresses, business cards, health insurance and/or other benefits, and may make use of support

services or other resources of Patient Square and its affiliates. Patient Square and/or portfolio companies intend to provide certain opportunities for VCF Personnel to invest in a Fund or an alternative investment vehicle or co-invest in certain portfolio companies of the Funds, with Management Fees and/or carried interest reduced or waived. VCF Personnel also may receive remuneration from Patient Square and/or a Fund or their affiliates and/or be entitled to other forms of compensation, including grants of a General Partner's carried interest, direct or indirect economic interests in SPACs, SPAC Sponsors or other businesses of the Firm and equity grants in portfolio companies or intermediate entities between a Fund and a portfolio company. Without limiting the foregoing, depending on seniority and function, VCF Personnel are expected to have a capital or profits interest in a Fund, a General Partner and one or more other investment vehicles sponsored by a General Partner or in an affiliate of a General Partner. As noted above, such investment opportunities, reimbursements and other compensation (whether in cash or equity) paid to VCF Personnel by a Fund and/or portfolio companies will not offset the Management Fee.

The General Partner will face potential conflicts of interest in determining the allocation of VCF Fees and Expenses, particularly with respect to the implementation of the VCF Employee Compensation Cap. For example, the Firm generally will not be allocated VCF Fees and Expenses that relate to services performed by VCF Personnel for a Fund and/or portfolio companies or prospective portfolio companies. However, these services may also provide a direct or indirect benefit to the Firm and/or its affiliates including other Patient Square Accounts. Therefore, the Firm has an incentive to classify a particular service as being provided for a Fund and/or a portfolio company or prospective portfolio company, even though it may directly or indirectly benefit Patient Square and/or their affiliates, in whole or in part and such amounts will reduce returns of such Fund. The allocation of VCF Fees and Expenses may not be proportional, and any such determinations involve inherent matters of discretion by the Firm. In addition, portfolio companies of a Fund may pay VCF Personnel to perform VCF Services that, directly or indirectly, benefit one or more other Patient Square Accounts. Consequently, other Patient Square Accounts may receive VCF Services without being charged or at rates that are lower than the rates borne by a Fund or its portfolio companies.

Further, the implementation of the VCF Employee Compensation Cap will also cause the Firm to face potential conflicts of interest related to the allocation of fees and expenses because any VCF Employee Compensation in excess of the VCF Employee Compensation Cap will be borne by Patient Square and not a Fund. For example, because the VCF Employee Compensation Cap only applies to the costs of services to a Fund (and not a portfolio company) by employees of Patient Square, the Firm will have the incentive to structure the engagement with VCF Personnel and/or Senior Advisors as independent or affiliated contractors and, notwithstanding the general expectations of allocation of costs described above, to allocate certain fees, expenses or costs to a portfolio company instead of directly to the relevant Fund. Additionally, because the VCF Employee Compensation Cap will not apply to expense reimbursements, the Firm will have an incentive to implement a more generous expense reimbursement policy in lieu of paying higher VCF Employee Compensation, the cost of which would be borne by the relevant Fund without limitation.

The Firm retains sole discretion in designating personnel as VCF Personnel or Senior Advisors (and making changes to such designations) over time, which creates an incentive to make designations (and re-designations) of personnel to avoid costs being subject to the VCF Employee Compensation Cap. VCF Personnel and/or Senior Advisors that were previously employed by Patient Square could become employed or seconded (on a permanent, interim, full-

time or part-time basis) by portfolio companies and therefore their costs would be borne by the applicable portfolio company without being subject to the VCF Employee Compensation Cap. Accordingly, any such personnel designation, re-designation or change in employment relationship is expected to increase the costs and expenses directly or indirectly borne by a Fund.

The type, amount and allocation of VCF Fees and Expenses may be determined according to one or more methods, including, as described below, the value of the time (including an allocation for overhead and other fixed costs) of the Value Creation Functions or its members, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company, which, for any particular period, could be more or less than the costs incurred by Patient Square with respect to such persons. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year or other period of determination will be proportional to the amount of hours worked or the amount or written work product generated by the members of the Value Creation Functions. Although Patient Square seeks to utilize VCF Services and/or Senior Advisors with a view of reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings, including the conflicts of interest discussed herein. In addition, the Firm generally intends to retain only such VCF Personnel that it believes provide a level of service at a value generally consistent with or better than other relevant market alternatives. However, there can be no assurance that no other service provider or VCF Personnel is more qualified to provide the applicable services or could provide such services at a lesser cost. In addition, the Firm has an incentive to retain VCF Personnel to provide services to portfolio companies even if retaining other providers would be as or more advantageous to the portfolio company.

Patient Square has implemented a principles-based compliance policy regarding the cost accounting and allocation procedure for VCF Personnel. This procedure generally involves time tracking, establishment of a billing rate, annual benchmarking and application of an overall discount, in addition to a year-end adjustment intended to ensure that the use of the Value Creation Functions does not generally create profits for Patient Square. Patient Square compares “revenue” from the Value Creation Functions against the costs of the employees, and excess revenue is offset against Management Fees payable by the Funds. Nevertheless, it is impossible to predict the exact composition of a Fund’s portfolio or other factors that could influence the Firm’s ability to recover VCF Fees and Expenses from portfolio companies, which could influence the billing rate charged to portfolio companies (including portfolio companies held by a different Fund than the Fund with a portfolio company that is unable to reimburse such VCF Fees and Expenses) and, therefore, the applicable billing rates and cost allocation procedures are subject to change and there is not guarantee such allocation procedures are accurate. In any case, the Firm expects that the majority of the VCF Fees and Expenses of PSI will generally be borne directly by the relevant Fund, whereas the VCF Fees and Expenses related to the TAG Team will predominately be borne by portfolio companies. Patient Squares Risk and Compliance Subcommittee reviews expense allocations across the Funds.

Patient Square expects that, most of the time, it will be reasonably clear which employees and affiliates provide VCF Services. However, in some cases, a person may provide VCF Services as well as other services to the Funds, Patient Square or any of their respective affiliates, which other services may not be recoverable to a Fund or its portfolio companies. It is also possible that a person will provide VCF Services across Funds or other investment vehicles affiliated with Patient

Square. The Firm has a conflict of interest because it may be economically advantageous for it to recover related costs and expenses from a Fund or its portfolio companies. To mitigate this conflict, the Firm will rely on the foregoing internal policy, subject to any contractual, legal or other applicable requirements.

While the costs and expenses associated with VCF Services are recoverable even if not performed by VCF Personnel, Patient Square reserves the right to designate VCF Personnel in its sole discretion, and has an incentive to do so in order to shift costs to a Fund and/or its portfolio companies that would otherwise be borne by Patient Square as overhead. In some cases, Patient Square personnel or unaffiliated third party advisors or consultants will be designated as VCF Personnel on a temporary basis or with respect to any VCF Services they perform (e.g., if such persons focus on both VCF Services and other Patient Square initiatives). In doing so, the Firm faces a conflict in determining the extent to which a Fund or its portfolio companies bear the related VCF Fees and Expenses, since VCF Fees and Expenses borne by a Fund and/or its portfolio companies would reduce the costs that Patient Square would be required to bear as overhead or otherwise. Patient Square has a similar incentive to rely on other VCF Personnel. Such determinations involve inherent matters of discretion by Patient Square and as described above, Patient Square may derive benefits from the services provided by such personnel in their capacity as VCF Personnel.

Patient Square expects to recover the costs and expenses of VCF Services in a variety of ways, including the following: invoicing the related portfolio company directly, capitalizing into closed transactions such amounts or Patient Square's good faith estimates of amounts for services expected to be provided to such portfolio company, offsetting such amounts against Transaction Fees or invoicing a Fund directly. Patient Square has discretion over which, if any, of these mechanisms to use, some of which will be more favorable to a Fund than others, such as described below with respect to challenges in recovering costs and expenses in the case of minority investments, as described below.

Patient Square expects VCF Personnel to provide VCF Services across each Fund's portfolio, including with respect to control-oriented investments and minority investments. Patient Square also expects that in many minority investments it will be more difficult to recover for the costs and expenses of the VCF Services. Nevertheless, Patient Square will make good faith judgments whether providing such VCF Services is still in the best interests of a Fund, and as a result, a Fund will bear a disproportionate share of the costs and expenses of VCF Personnel relative to other equity investors in a particular portfolio company.

While Patient Square does not currently intend for the Value Creation Functions to generate revenue or profits for the Firm through the provision of VCF Services to third parties unaffiliated with Patient Square, it is possible that the Firm will decide in the future to provide VCF Services to such persons. Such third-party services could include, in addition to VCF Services, the licensing of intellectual property, data or other assets developed by the Value Creation Functions, including assets created or developed as a result of their work on behalf of or with information or data from, the Funds or their portfolio companies or prospective portfolio companies. In such a case, the Firm would not share with any Fund revenues, profits compensation, royalties or any other economic interests arising from the provision of such services or products. VCF Fees and Expenses incurred on behalf of third parties would be allocated, consistent with the Firm's policies and procedures.

Patient Square may be unable to attract and retain competent personnel to fill roles within the TAG Team and PSI as a result of any number of external factors outside of its control, including the availability of talent, the ability to recruit in a competitive market, general economic conditions and shifting areas of industry, scientific, and medical needs. Similarly, portfolio companies may ultimately require services different, greater or less than those provided or capable of being provided by VCF Personnel. As a result, the General Partner reserves the right to eliminate certain functions within the TAG Team or PSI or add new functionality. As a result, potential benefits that may have accrued or have been expected to accrue to the Fund or a portfolio company may not occur, thereby reducing the performance of such portfolio company and the Fund and ultimately, the returns to Investors.

Senior Advisors

The Firm expects to retain Senior Advisors to provide advisory services related to the sourcing, acquisition, holding, monitoring, improvement and disposition of portfolio companies, including operational aspects of such companies or similar services to a Fund, any alternative investment vehicle or any portfolio company or prospective portfolio company of such Fund.

Senior Advisors are independent contractors, generally are not employees of the Firm, and are generally not affiliated with Patient Square for purposes of the relevant Governing Documents. Therefore, they are generally not subject to the Firm's compliance program, including those related to conflicts of interest, that relate to the Firm's employees and affiliates. By consequence, payments to Senior Advisors from a Fund or portfolio companies (such as success fees for sourcing transactions, equity grants, board fees and other compensation) will generally not be considered Transaction Fees that are offset against the Management Fees payable by the Limited Partners, even if such amounts would otherwise be considered Transaction Fees that are offset against Management Fees had they been paid to Patient Square employees or affiliates. However, the aggregate cost associated with the provision of services to a Fund and its related entities by Senior Advisors who are employees of Patient Square, the General Partner or any of their respective affiliates will be subject to the VCF Employee Compensation Cap, and amounts in excess of the cap will be borne by Patient Square.

Cross-Transactions

Patient Square reserves the right from time to time to cause a Patient Square Account to enter into a cross-transaction whereby the Patient Square Account purchases securities from, or sells securities to, other Patient Square Account managed by Patient Square. Certain of such transactions raise potential conflicts of interest, including where the investment of one Patient Square Account supports the value of a portfolio company owned by another Patient Square Account. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or other participating co-investment vehicles or separately managed accounts, or in contexts where a portfolio company owned by a Patient Square Account is acquired by a portfolio company acquired by another Patient Square Account. In some cases, a portfolio company of a Patient Square Account may be merged with or into a portfolio company owned by another Patient Square Account. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Patient Square Account's Governing Documents or otherwise in the sole discretion

of Patient Square or its affiliates, Patient Square or its affiliates reserve the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker at the expense of the relevant Patient Square Account to opine as to the fairness or “arm’s-length” nature of a purchase or sale price, whether or not part of a formal fairness opinion, “request for proposal” process, or proposal or quotation provided exclusively for the benefit of Patient Square), or by obtaining the consent of the relevant Patient Square Accounts (including, where applicable, the consent of each Patient Square Account’s Advisory Board) to such transactions. However, Patient Square does not always expect to obtain such an opinion or consent. Patient Square also may determine that the willingness of a third-party to make an investment on substantially the same economic terms demonstrates the fairness of the relevant transaction to the Patient Square Account under then-current market conditions. Further, Patient Square Accounts nearing the end of their term are expected from time to time to sell their interest in commonly held investments to other Patient Square Accounts with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the Partners are assigned varying percentages of carried interest from Patient Square Accounts in the same investment, or if economic terms, performance and/or the potential for carried interest vary between Patient Square Accounts, particularly when one Patient Square Account sells its portion of such investment to another Patient Square Account, which could cause a portion of such carried interest to become “crystallized.” Whether or not Advisory Board consent is obtained or there is a fairness opinion or a third-party Investor, Patient Square intends to conduct such transactions in a manner that Patient Square believes to be fair and equitable to each Patient Square Account under the circumstances over time, including a consideration of the potential present and future benefits with respect to each Client. Patient Square reserves the right to cause a Patient Square Account and/or its portfolio companies to enter into similar transactions with SPACs (or their associated business combination targets) sponsored by Patient Square and/or its affiliates, which gives rise to potential conflicts of interest similar to those discussed herein. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Patient Square Account.

Although Patient Square generally structures Patient Square Accounts to avoid circumstances in which one Patient Square Account ultimately bears liability for all or part of the obligations of other Patient Square Accounts or any Patient Square affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Patient Square Account entities, which may result in a single Patient Square Account being solely liable for other Patient Square Accounts’ share of the relevant obligation and/or joint and several liability among Patient Square Accounts. In such cases, Patient Square intends to cause the relevant other Patient Square Accounts to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Patient Square Account undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market parties are expected to seek “cross default” rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Patient Square Account or Patient Square affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Patient Square Account’s limited partners could suffer adverse effects resulting from any default by any Patient Square Account or a Patient Square affiliate, whether or not related to the Patient Square Account in which such limited partners have invested.

Secondaries and other GP-Led Transactions

There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by Patient Square following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Patient Square believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by the Patient Square and its affiliates). However, certain of such transactions are expected to require a limited partner to invest additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio company, and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Patient Square or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Patient Square or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Patient Square, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Patient Square reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Patient Square will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Patient Square reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

SPACs Outside of the Funds

Patient Square, its affiliates and/or personnel have sponsored, and, following such time as Patient Square no longer offers SPAC opportunities to the Funds, could in the future, sponsor and/or provide other services to SPACs. While these SPACs are expected to acquire businesses in the

health care sector, Patient Square does not generally believe that such SPACs and the Funds will pursue the same investment opportunities, although it is possible that the market conditions or the companies' priorities could change and that certain opportunities that could be viewed as appropriate for a Fund could be appropriate for or pursued by a SPAC. While the organizational documents of SPACs typically contain waivers of provisions requiring their sponsors to present to them investment opportunities, Patient Square and/or its affiliates and personnel may have obligations to pursue certain acquisitions through SPACs they sponsor. In the event an investment opportunity is suitable for a SPAC and a Fund, the Firm will make an allocation decision as described in "Investment Allocations."

SPACs consummated outside the Funds also provide Patient Square personnel with substantial economic incentives, including salaries, bonuses, incentive equity, stock, options, warrants and/or other interests that, depending on the terms of a particular SPAC, may be more favorable than those associated with a single transaction in the Funds. The economic benefits provided by these SPACs may reduce such persons' incentives to dedicate time and resources to the Funds in favor of such SPACs. Further, such SPACs have the potential to conduct activities that give rise to many of the same potential conflicts of interests posed by other Patient Square Accounts in relation to the Funds as discussed herein, including but not limited to, time and attention, economic incentives, investments by the Funds in conjunction with a SPAC, business combinations, transactions and/or services between Fund portfolio companies and the SPAC, transactions between the Funds and the SPAC, the allocation of investment opportunities and expenses and the sharing of personnel. The Firm would compensate its personnel with economic interests in a SPAC, regardless of whether such personnel actively work on the Firm's SPAC business, which will create a conflict of interest for such personnel to prioritize their time and attention on such SPAC rather than the Funds.

Nevertheless, Patient Square believes its substantial investment in the Funds, time and attention requirements in the relevant Governing Documents and intention to cause the Funds to sponsor certain SPACs as discussed in "Fund Sponsorship of and Investment in SPACs" help to significantly mitigate the foregoing potential conflicts of interest.

Business Combination by SPAC with Affiliated Companies

A SPAC may decide to acquire one or more (a) businesses affiliated with its sponsor, its officers or directors or its management team and/or (b) subject to the relevant Governing Documents, portfolio companies of other Patient Square Accounts. Directors of a SPAC may also serve as officers and board members for other entities. Such entities, including other Patient Square Accounts, may compete with such SPAC for investment or business combination opportunities. Even if such SPAC agrees to obtain an opinion from an independent investment banking firm or from an independent accounting firm that such an initial business combination with one or more affiliated businesses or portfolio companies is fair to the SPAC and its stockholders (including the Funds) from a financial point of view, potential conflicts of interest may still exist and, as a result, the terms of the initial business combination may not be as advantageous as they would be absent such conflicts of interest. Other Patient Square Accounts (including successor funds to the Funds) may hold positions in portfolio companies targeted by the SPACs in which the Funds hold interests (including through the applicable SPAC Sponsor) and accordingly the Funds may directly or indirectly (i) acquire interests in such companies alongside the other Patient Square Accounts and/or (ii) acquire interests in such companies from the other Patient Square Accounts. Such

investments alongside other Patient Square Accounts may be coincident with or precede one another. It is possible that the terms of such investments (including with respect to liquidity and the type of security held) for the Funds and/or such other Patient Square Account(s) may not be the same. Additionally, the Funds and/or such other Patient Square Account(s) may have different expected termination dates and/or investment objectives (including target return profiles) and Patient Square, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities.

To the extent the Funds hold or acquire securities or instruments that are different (including with respect to their relative seniority) than those held or acquired by other Patient Square Accounts, Patient Square and its affiliates may be presented with decisions when the interests of the two vehicles are in conflict. In that regard, actions may be taken for the other Patient Square Accounts that are adverse to the Funds. In addition, it is possible that in a bankruptcy proceeding a Fund's interest may be subordinated or otherwise adversely affected by virtue of such other Patient Square Accounts' involvement and actions relating to its investment.

Personnel and Service Provider Retention Decisions

Patient Square is also authorized, from time to time, to employ personnel or Senior Advisors or VCF Personnel with pre-existing ownership interests in, or who were employed by, portfolio companies owned by the Patient Square Accounts or SPACs; conversely, former personnel or executives of Patient Square or its affiliates or former Senior Advisors or VCF Personnel generally have the ability to serve in significant management roles at portfolio companies, the Clients, SPACs and/or other Patient Square Accounts or service providers recommended by Patient Square. Similarly, Patient Square and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, law firms, accountants, institutional investors, family offices, lenders, former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an Investor) in (at a reduced or waived Management Fee and carried interest), engage in transactions with and/or provide services (including services at reduced rates) to, Patient Square, the Funds, SPACs and/or other Patient Square Accounts. Patient Square has a conflict of interest with a Patient Square Account in recommending the retention or continuation of a third-party service provider to a Fund or a portfolio company owned by a Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliates will continue to invest in the Funds, SPACs or other Patient Square Accounts, or will provide Patient Square information about markets and industries in which Patient Square operates (or is contemplating operations) or will provide other services that are beneficial to Patient Square, or the Funds, SPACs and/or other Patient Square Accounts. For example, Patient Square expects to cause a Client to make payments to investment banks and/or other intermediaries (including those that are Limited Partners), all or a portion of which is for the purpose of generating future deal flow for a Client; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of a SPAC or Patient Square Account rather than a Fund making the payment. Further, on a Management Fee- free and carried interest-free basis, certain service providers will be permitted to invest in the Funds and will be offered co-investment opportunities alongside the Funds (or otherwise gain exposure to a Fund's portfolio companies) in lieu of receiving cash payments for services provided to the Funds and/or Patient Square. Without limiting the foregoing,

an investment vehicle affiliated with the legal counsel to the General Partner, together with certain employees of another service provider to the General Partner, are investors in an Executive Fund on a Management Fee-free and carried interest-free basis. As a result of the foregoing, Patient Square expects to be subject to a potential conflict of interest in making service provider recommendations, in that Patient Square has an incentive to maintain goodwill between itself, such service providers and/or the existing and prospective portfolio companies for the Funds, SPACs and/or other Patient Square Accounts, while the products or services recommended may not necessarily be the best available to the relevant Fund and/or other Patient Square Accounts or their portfolio companies.

Patient Square also expects to engage certain Limited Partners or their affiliates that are engaged in lending, investment banking or other businesses to provide financing, sourcing and/or other services in connection with a Fund's investments for compensation. Separately, Patient Square expects a Fund to invest in a portfolio company with a view to establishing relationships with, and potentially obtaining strategic or other benefits from, founders and executives of such portfolio companies, including sourcing and service as executives or board members for other portfolio companies. It is possible under certain circumstances such benefits inure to the benefit of another or successor Fund rather than the Patient Square Account making the investment.

Investments Away from or Alongside the Funds

Patient Square, its affiliates, officers, principals and employees reserve the right to buy or sell securities or other instruments that Patient Square has recommended to Clients. In addition, Patient Square and its related persons reserve the right to buy securities in transactions offered to but not pursued by the Funds and/or other Client(s) or buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by such Fund in connection with a Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the relevant Governing Documents and any related policies and procedures set forth in Patient Square's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of the Funds and/or other Client(s).

Patient Square and its employees and related persons have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies, directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors. Additionally, General Partner entities may, whether for legal, tax, regulatory or other reasons, invest, direct or redirect a portion of their required or discretionary commitments in or alongside a Fund to be funded through Co-Investment Vehicles, separately managed accounts or other Clients participating in common portfolio company investments with such Fund, subject to any express limitations thereon under the Governing Documents. Such Clients may be subject to terms, including economic, governance and investment terms, that differ from those of a co-investing Fund, and by structuring portion of the General Partner's commitments through those Clients, the General Partner's aggregate capital outlay to the Funds would be expected to be reduced, potentially diminishing economic alignment with Investors. Patient Square expects to have additional potential conflicting interests in connection with the aforementioned investments.

A General Partner is generally permitted to receive a distribution in kind from the relevant Fund, including in connection with investment dispositions or the payment in kind of amounts owed to

the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's Limited Partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Patient Square deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its Limited Partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's pro rata interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its Limited Partners.

Competing Investments; Interaction of Portfolio Companies

Due to Patient Square's strategy of making investments in the health care sector and health care-related businesses, a Patient Square Account will make (or hold) investments that operate in the same market as (or adjacent markets to) or are competitive to the companies in which another Patient Square Account invests. In providing advice and recommendations to, or with respect to, such investments and in dealing with such investments on behalf of such Patient Square Account, Patient Square will consider the interests of such portfolio company and such Patient Square Account which may conflict with the interests of another Patient Square Account and its portfolio companies. Accordingly, such advice, recommendations and dealings may result in adverse consequences to one Patient Square Account or its investments. Certain SPACs sponsored by Patient Square and/or its affiliates similarly have the potential to compete a Patient Square Account and its portfolio companies as discussed herein, which gives rise to similar potential conflicts of interest.

Additionally, Patient Square may determine that it is appropriate for a portfolio company of a Patient Square Account to enter into commercial relationships or other transactions and partnerships with another portfolio company of one or more Patient Square Account or SPACs. Patient Square believes that the interaction of portfolio companies as well as cross-fund transactions involving the purchase, sale, or merger of portfolio companies of Patient Square Accounts is more likely for Patient Square's investment vehicles than those of a sponsor with a sector-diverse investment strategy.

Carried Interest & Management Fees

The fact that Patient Square's carried interest is based on a percentage of net profits creates an incentive for the Firm to cause the Funds to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. Furthermore, the Firm's proportion of distributions may vary significantly depending on a number of factors, including the number of investment dispositions, the holding period of certain investments and the aggregate realizations to date. This may incentivize the General Partner to dispose of certain investments before others in order to maximize distributions of net profits or rates of return (or the perceived probability of distributions of net profits or rates of return) to the Firm. In addition, because there are fixed

investment periods after which capital from Investors in the Funds may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of each Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Patient Square may not otherwise have done so.

Transaction Fees

Patient Square and its affiliates have the authority to: (i) set the amount of Transaction Fees paid by the Clients and (ii) determine whether Clients should engage in a transaction. Therefore, Patient Square faces a conflict of interest in that it is incentivized to charge higher Transaction Fees to the Clients, and also advise Clients to engage in transactions in order to procure Transaction Fees. Additionally, Patient Square, its personnel, affiliates and Senior Advisors or others designated by Patient Square expect from time to time to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied, Patient Square and/or such other recipients will be permitted to retain such securities as Transaction Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Patient Square or retain such securities for a period consistent with their own financial and investment objectives, which is likely to differ from those of other Patient Square Accounts). In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Client's relative ownership of the portfolio company awarding such compensation.

Sharing, Utilization and Monetization of Portfolio Company Data and Information

Patient Square will likely to enter into formal or informal arrangements with portfolio companies to facilitate the sharing of data and/or data analytics or may otherwise receive various kinds of portfolio company data and information from portfolio companies, including data and information relating to business operations, trends, budgets, customers and other metrics. However, such information sharing involves conflicts of interest among the Patient Square Accounts and/or between Patient Square Accounts and Patient Square. Data analytics based on inputs from one portfolio company could inform business decisions by other portfolio companies, or investment decisions by Patient Square and its affiliates, without the source of the data being directly compensated. Patient Square and its affiliates are permitted to utilize or monetize (including through licensing, selling, or developing into new products or services) such data and information in activities related or unrelated to the Funds or other Patient Square Accounts. Such utilization or monetization could provide to Patient Square a material economic benefit, which would not be shared with the Patient Square Accounts or offset or otherwise reduce the Management Fee. In addition, the acquisition of confidential or material non-public information with respect to portfolio companies of the Patient Square Accounts could limit or restrict the ability of the Patient Square Accounts to buy or sell particular securities. Moreover, no assurance can be given that Patient Square will be successful in utilizing portfolio company data in its investment process. Further, there has been increased scrutiny from a variety of regulators regarding the use of alternative data, including the type of data Patient Square obtains from portfolio companies, in this manner, and its use or misuse under current or future laws and regulations could create liability for the General Partners, Patient Square and the Funds in numerous jurisdictions. The General Partners and/or Patient Square cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to the General Partners, Patient Square, or to the Funds.

Side Letters

Patient Square and/or its affiliates, in their sole discretion, reserve the right to enter into Side Letters with certain Limited Partners in the Funds that have the effect of establishing rights (including economic terms) under, or altering or supplementing the terms of, the relevant Governing Documents with respect to certain Limited Partners. As a result of such Side Letters, certain Limited Partners will receive additional benefits that other Limited Partners do not receive, and such benefits may be significant. Further, Patient Square is likely to have its own economic and/or other business incentives to provide certain terms to certain Investors (e.g., based on Commitment amount to one or more Funds, the ability of the Investor to provide sourcing or other services to Patient Square, a Fund or other Patient Square Accounts or the potential establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Patient Square, a Fund or other Patient Square Accounts). Such rights, terms or confirmations in any such Side Letter or other similar agreement with respect to each Fund may potentially include (i) different economic terms, including reduced Management Fees, modified waterfall mechanics and/or reduced carried interest; (ii) the ability to opt-out of certain types of investments (including with respect to investments in certain geographies and/or industries); (iii) the right to receive certain additional information, certifications, reporting and/or notifications from a Fund or Patient Square or any of their affiliates and/or the manner in which information and/or notice shall be provided; (iv) the right to transfer interests in a Fund and to cause such transferee to be admitted to a Fund as a substitute Limited Partner; (v) the offering of, and/or participation in, co-investment and co-underwriting opportunities, including interrelated Fund economic terms and the ability to receive a co-investment's allocable share of any Transaction Fees; (vi) the right to withdraw from a Fund in the event of adverse tax or regulatory events or violations of law or policies or in the event the Investor's Commitment in a Fund would exceed a certain percentage of a Fund's aggregate Commitments; (vii) additional confidentiality protections; (viii) the right to disclose certain information to underlying Investors, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) investment pacing restrictions; (xii) limits on indemnification; (xiii) rights relating to the appointment of a representative to serve as a member and/or observer of a Fund's Advisory Board; (xiv) rights with respect to legal, regulatory or policy requirements applicable to any such Limited Partner or its affiliates; (xv) the right to be excused from participating in certain and/or all future investments and a stepdown in the Management Fee base to invested capital upon the occurrence of certain events related to key Firm personnel; or (xvi) certain other terms whether economic, procedural or otherwise. Side Letters may also relate to strategic relationships under which an Investor agrees to make Commitments to multiple Patient Square Accounts. As a consequence of one or more Limited Partners being excused or excluded from, or from regulatory or other factors limiting their participation in, certain investments, the aggregate returns realized by participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments. The other Limited Partners will generally have no recourse against a Fund, Patient Square and/or any of their affiliates in the event that certain Limited Partners receive additional and/or different rights and/or terms as a result of such Side Letters. Patient Square will be required to notify the other Limited Partners of any such Side Letters or other similar agreements or any of the rights and/or terms or provisions thereof, and to offer such additional rights and/or terms to other Limited Partners, only to the extent provided in the Governing Documents.

Side Letters subject Patient Square to potential conflicts of interest, including in circumstances where an Investor's right to serve on the relevant Fund's Advisory Board results in the Investor

receiving additional information relative to other Investors. To the extent an Investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other Investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant Limited Partner at the expense of the relevant Fund or of Limited Partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer or withdrawal rights, the costs and expenses of which are expected to be borne by the relevant Fund. As a consequence of one or more Limited Partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment or related expense. Although Patient Square believes it to be unlikely, excuse rights requested or received by one or more Limited Partners (or such regulatory, tax or other factors applicable to such Limited Partners) representing a substantial percentage of a Fund have the potential to create significant variations in Limited Partner investment returns or exposure to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by a General Partner on behalf of the relevant Fund as a whole. A Limited Partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more Limited Partners' voting rights generally will increase the voting rights percentage of other Limited Partners in the relevant Fund. Further, Limited Partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Portfolio Company Arrangements

Patient Square is permitted to institute a program under which portfolio companies owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with Patient Square, its affiliates and other portfolio companies. Potential conflicts of interest arise in making such recommendations, as Patient Square has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. Program participants expect to receive discounts, benefits or services negotiated with various vendors and service providers on a group-wide basis. Participants voluntarily participate in the program without cost, and Patient Square allocates fees and costs for program among the relevant Funds and/or other Patient Square Accounts. Patient Square and its affiliates also participate in the program in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio companies participating therein. Such fees, costs, benefits and discounts may not be evenly shared among the participating entities, including that Patient Square or its affiliates will disproportionately benefit from the purchasing power of the Funds and the portfolio companies, and no such amounts will offset or reduce the Management Fee. Patient Square believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Funds) that will result if the rates for goods and services are discounted relative to those widely available in the market.

From time to time, Patient Square, its affiliates and personnel and persons selected by them expect to receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than Patient Square and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, Patient Square believes that the potential for conflicts of interest relating to such discounts is mitigated. Patient Square, its affiliates and personnel generally refrain from requesting, or negotiating for, such discounts in the ordinary course. Patient Square could receive other benefits, discounts, or preferential treatment, none of which will be shared with the Funds or the Limited Partners. Discounted prices or better terms offered by a portfolio company to Patient Square, any other portfolio company or third parties have the potential to affect the returns of the portfolio company, and ultimately a Fund that holds such portfolio company.

Platform Builds

Patient Square reserves the right to have a Fund establish or invest in platform companies or similar platform investments that seek to acquire interests in other companies and/or assets. While a Fund would typically be involved in the strategy and oversight of any platform investment, a platform investment typically would retain its own management team to operate, administer and manage the platform on a daily basis. In such cases, a Fund generally will directly or indirectly bear the expenses related to developing and operating the platform investment, including overhead expenses (such as real estate, technology, salaries, bonuses and incentive-based compensation (e.g., equity, a profits interest, options and warrants)), investment sourcing and diligence expenses, transaction fees and other related expenses. Such expenses generally will not offset any Management Fees paid by the Limited Partners and as such Patient Square is incentivized to have such platform investments bear expenses that might otherwise have been paid by Patient Square or its affiliate.

Such platform investments create potential conflicts of interest. For example, management teams at platform companies sometimes provide services that are similar to, and that may overlap with, services provided by Patient Square and its personnel to a Fund, and certain Patient Square professionals, Senior Advisors and/or VCF Personnel are expected to serve on the boards of, hold management roles in or otherwise provide services to, platform investments. Patient Square generally will have the ability to influence significantly the form and amount of compensation paid to a platform investment’s management team. Members of such a management team also may render services exclusively to the platform or provide the same or similar services to other Funds and/or portfolio companies.

Notwithstanding the foregoing, Patient Square also reserves the right to have a Fund implement a platform strategy by creating one or more new portfolio companies that are expected to aggregate a number of investments together that are related, including with respect to a particular subsector or industry within health care (e.g., gene therapy) or company state (e.g., smaller sized capital investments in minority positions in early stage, early growth or growth investments), without retaining a separate management team across all such aggregated investments. Such platform investments are generally expected to be treated as separate portfolio companies for purposes of the Governing Documents, except that for purposes of investment count and reporting to Limited Partners, they are likely to be aggregated and counted as one collective investment for administrative ease.

In addition, from time to time, Patient Square will be required to decide whether certain costs and expenses are to be borne by the Funds or the platform companies on the one hand, or the General Partners, Patient Square or their respective affiliates, on the other, and/or whether certain costs and expenses should be allocated between or among the Funds or the platform companies, on the one hand, and other Patient Square Accounts, on the other hand. Patient Square will make such judgments in accordance with the relevant Governing Documents. To the extent the relevant Governing Documents are silent on a certain expense, such judgments will be made by Patient Square in accordance with its expense allocation policies and procedures, as described above. Because Patient Square is expected to appoint a majority of the representatives on the platform companies' boards of directors, Patient Square is expected to have the ability to significantly influence the amount of costs and expenses borne by the platform companies and/or the Funds, which creates incentives for Patient Square to allocate costs and expenses to the platform companies or the Funds that would otherwise be borne by Patient Square as overhead, or that would otherwise be considered Transaction Fees pursuant to the Governing Documents and offset against a Fund's management fee.

Competing Investments

Patient Square and its affiliates may currently manage or in the future make investments on behalf of other Patient Square Accounts that are competitive with the platform companies. In providing advice and recommendations to, or with respect to, such investments, and in dealing in their securities on behalf of such other Patient Square Accounts, to the maximum extent not prohibited by applicable law, Patient Square will not take into consideration the interests of the Funds, or the platform companies. Accordingly, such advice, recommendations, and dealings may result in adverse consequences to the platform companies.

Valuations

There is not expected to be an actively-traded market for most of the securities owned by a Fund. When estimating fair value, Patient Square will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. Valuations are only estimates of future results that are based upon assumptions made at the time that the valuations are developed. General economic, political, regulatory and market conditions and the actual operations of the portfolio companies, which are not predictable, can have a material impact on the reliability and accuracy of such valuations. Moreover, the exercise of discretion in valuation by Patient Square, subject to any limitations thereon provided in the Governing Documents, may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees. In particular, Patient Square will face incentives to minimize write-downs of a Fund's investments in order to accelerate and increase the payment of carried interest and increase the amount of Management Fees payable.

Insurance Coverage

The relevant liability standards under insurance coverage procured by Patient Square are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Patient Square's insurance coverage are higher or lower than that set forth in the Governing Documents.

Conclusion

Any of these situations subjects Patient Square, its personnel and its affiliates to potential conflicts of interest. Patient Square attempts to resolve such conflicts of interest in light of its obligations to its Clients. To the extent that an investment or relationship raises particular conflicts of interest, Patient Square will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Patient Square consults and receives consent to conflicts from an Advisory Board consisting of Limited Partners of the relevant Client(s), as applicable.

Item 9. Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective Investor's evaluation of our advisory business or the integrity of Patient Square's management.

Item 10. Financial Industry Activities and Affiliations

Neither Patient Square nor its management persons are registered, or have an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator or a commodity trading adviser.

Patient Square is affiliated with the General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Patient Square's registration in accordance with SEC guidance. These entities operate as a single advisory business together with Patient Square and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

There may be situations in which the interests of a Fund, in an investment or otherwise, conflict with the interests of the applicable Fund's General Partner, the Firm or any of their affiliates. The Governing Documents provide disclosure to Investors as to the methods and practices used by Patient Square and its personnel to address these conflicts of interest. The Firm's Chief Compliance Officer (the "CCO") is responsible for identifying any actual or potential conflicts of interest, reviewing the facts and circumstances underpinning the identified actual or potential conflicts of interest with Patient Square's Partners and external counsel, if appropriate, and

recommend an appropriate course of action to take. If necessary, the General Partner of a Fund may refer a conflict of interest to the Advisory Board of a Fund.

Patient Square does not recommend or select other investment advisers for its Clients and does not have any other business relationships that may create material conflicts of interest other than those described in Item 6 of this Brochure.

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

Patient Square has adopted a code of ethics (the “Code of Ethics”) in compliance with Rule 204A-1(a) under the Advisers Act that establishes standards of conduct for Patient Square’s supervised persons. The Code of Ethics includes general requirements that supervised persons must comply with relating to the Firm’s fiduciary obligations to the Clients and with applicable securities laws, as well as specific requirements relating to personal trading, insider trading, conflicts of interest and confidentiality of Firm information. It requires supervised persons to comply with the personal trading restrictions described below and to report their personal securities transactions and holdings periodically to the CCO and requires the CCO to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the CCO.

The Code of Ethics requires pre-clearance before purchasing any equity securities including options, warrants, futures or other derivative instrument of any single issuer equity securities, participation in initial public offerings (IPOs), as well as limited offerings (e.g., private placements), and further requires quarterly reporting of supervised persons’ personal securities transactions and securities holdings.

Each supervised person receives a copy of the Code of Ethics and any amendments to it, and must acknowledge having received those materials. Annually, each supervised person will certify that he or she complied with the Code of Ethics during the preceding year. The Investors and prospective Investors may obtain a copy of Patient Square’s Code of Ethics upon request.

Patient Square employees may also directly invest in investments made by the Funds for their own accounts based on personal investment considerations with pre-approval from Patient Square’s CCO. Certain employees may invest in the Funds, either through a General Partner, a feeder fund, a parallel fund (including Co-Invest Vehicles and Executive Funds or their respective General Partners) or as direct Investors in the Funds. To the extent that Co-Invest Vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund alongside such Fund. Co-investment opportunities generally are also expected to be presented to certain affiliates of Patient Square, as well as third-party Investors and other persons, and such co-investments may be effected through Co-Invest Vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company’s structure. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.” General Partners, as applicable, are permitted to reduce all or a portion of the advisory fee, carried interest and/or incentive allocation related to investments held by such persons.

Item 12. Brokerage Practices

Patient Square focuses on making investments in private securities; thus, it does not ordinarily deal with any financial intermediary, such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. To the extent Patient Square might invest in public securities for the Clients, it will select broker-dealers based upon the broker-dealer's ability to provide best execution in accordance with the Firm's policies and procedures. If in the future, Patient Square were to make decisions regarding the allocation of brokerage transactions for the Clients, Patient Square will consider a variety of factors, including but not limited to (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable broker-dealer spread or commission, if any), (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution, (iii) the financial strength, integrity and stability of the broker-dealer or counter-party, and (iv) the competitiveness of commission rates in comparison with other broker-dealers.

Patient Square has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Patient Square generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Patient Square does not participate in any soft dollar arrangements.

Item 13. Review of Accounts

Investment recommendations are reviewed by Patient Square's investment team and approved by the Firm's Investment Committee. Patient Square's investment team regularly reviews and monitors Clients' investments as well as conducts periodic reviews to ensure compliance with each Client's investment guidelines and restrictions as set forth in respective Governing Documents. Additionally, the Firm's Portfolio Management Committee will be responsible for periodic review and monitoring of investments of the Clients. Further, on a quarterly basis, Patient Square's Valuation Committee reviews and approves the valuation of the investments held by the Clients.

Investors will receive annual audited financial statements of their respective Fund(s) and additional Investor reports set forth in such Funds' Governing Documents.

Item 14. Client Referrals and Other Compensation

From time to time, Patient Square enters into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential Investor becoming an Investor in a Fund. Patient Square typically engages placement agents to identify and refer certain potential Investors to invest in a Fund. Fees payable to such placement agents generally will be borne by Patient Square indirectly through an offset against the Management Fee, although related

expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s) as part of the organizational expenses of such Fund. Solicitation arrangements relating to U.S. Investors and U.S.-domiciled Funds generally are disclosed in the relevant Fund's Form D.

Any conflicts of interest regarding economic benefits provided to the Firm or its affiliates by other persons that are not Investors are addressed in the manner set forth in the Client's Governing Documents.

Item 15. Custody

Each General Partner is deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2 (the "Custody Rule")) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the following qualified custodians: Merrill Lynch, Pierce, Fenner & Smith Incorporated (San Francisco, California), Silicon Valley Bank, a division of First Citizens Bank (San Francisco, California), and Bank of America (San Francisco, California).

To address the requirements of the Custody Rule, the Funds are subject to an annual audit by an independent auditor registered with the Public Company Accounting Oversight Board, and the audited financial statements prepared for each Fund are distributed to each Fund's respective Investors. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to the Funds' Investors within 120 days of each Fund's fiscal year end.

Item 16. Investment Discretion

Patient Square and the relevant General Partner have discretionary authority to manage the assets of the Clients pursuant to each Client's Governing Documents. In all cases such discretion is to be exercised in a manner consistent with the stated investment objectives for each Client and the applicable Client's Governing Documents.

Item 17. Voting Fund Securities

In compliance with Rule 206(4)-6 of the Advisers Act, the Firm has adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in a prudent and diligent manner that serves the applicable Client's best interests and is in line with such Client's investment objectives.

The Clients may, but do not typically, invest in publicly traded securities. However, in the future, the Clients may be in receipt of public securities as it relates to their investment strategies. In those instances, the relevant General Partner will vote Proxies in the best interest of such Client and in accordance with their fiduciary duty owed to each Client.

If there is an actual or potential material conflict of interest in connection with a prospective vote, such conflict will be resolved in accordance with the applicable Client's Governing Documents and Patient Square's proxy voting policies and procedures. A General Partner may abstain from

voting Proxies in any instance if it deems that such abstention is in the best interests of the applicable Client.

Clients and Investors may not direct proxy voting decisions. However, Clients and Investors may obtain information on how the applicable General Partner voted on behalf of its Clients by contacting the Firm's CCO. Additionally, Clients and Investors may also obtain a copy of the Firm's proxy voting policies and procedures by contacting the Firm's CCO.

Item 18. Financial Information

Patient Square is not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to the Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.