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This brochure provides information about the qualification and business practices of HealthEdge Investment Partners, LLC. If you have any questions about the contents of this brochure, please contact Matt Dawson at 1-813-490-7100, or by email at [info@HealthEdgePartners.com](mailto:info@HealthEdgePartners.com). 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.

Additional information about HealthEdge Investment Partners, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC does not imply a certain level of skill or training.

March 31, 2023

# Material Changes

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There have been no material changes since HealthEdge Investment Partners, LLC's last filing dated March 31, 2022.

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# Advisory Business

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## Firm Description

Formed in 2005, HealthEdge Investment Partners, LLC (“HealthEdge” or “Firm”) is a private equity firm dedicated to investing in U.S. based lower middle-market companies in the healthcare industry. The Firm targets niche segments including specialty medical products, healthcare services, healthcare information technology, and specialty distribution. Currently, HealthEdge only advises private equity funds (“Funds”). All information regarding the Funds can be found each Funds respective Private Placement Memorandum (“PPM”).

We do not act as the general partner to any of the Funds. Instead, our related parties serve as the general partners of the Funds and, in such capacity, may be deemed to be an “investment adviser” (as defined in the Advisers Act of 1940). These related parties will rely on our investment adviser registration instead of separately registering as an investment adviser with the Securities and Exchange Commission. Except as the context otherwise notes, any reference herein to “we,” “us,” or “our” includes HealthEdge and each related party relying on our registration.

The general partner to each Fund is ultimately responsible for managing and controlling the Funds and its investment program, including making and disposing of investments. HealthEdge originates, negotiates, closes, monitors, manages and services portfolio investments of each Fund and provides recommendations to the general partner concerning the making and disposition of the portfolio investments.

## Principal Owners

The principal owners are Brian Anderson, Phil Dingle, Jeff Thompson and Scott Heberlein.

## Types of Advisory Services

HealthEdge is a private equity manager targeting the healthcare industry in the following sub-sectors: specialty medical products, healthcare services, healthcare information technology, and specialty distribution. We seek to create value through accelerating growth in partnership with lower middle-market management teams.

## Tailored Relationships

HealthEdge manages each Fund in accordance with the objectives outlined in the respective PPM. The investment advisory services are not tailored to the needs of each limited partner.

## Co-Investments

Taking into account various considerations including demand, size/fit, co-investment rights, and many other factors, the investors may co-invest in an investment opportunity offered to the Fund, which may be extended to third parties. Parallel investment vehicles and/or alternative investment vehicles may be formed by the general partners if such co-investments are made. The co-investment opportunities shall be no more favorable than those offered the Funds and

require approval by the Limited Partner Advisory Committee, an independent committee made up of limited partners of the Funds.

### **Client Assets**

As of December 31, 2022, we have \$371,337,545 in discretionary assets under management.

## **Fees and Compensation**

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### **Description**

The Funds pay HealthEdge a management fee at an annual rate that can range between 2-2.25% per annum of the aggregate commitments. We may, in our sole discretion, at any time waive, reduce, defer, or assign any portion of the management fee.

### **Fee Billing**

The management fee shall be payable in advance at the beginning of each fiscal quarter. Fees are payable through each limited partner's capital account.

Some Funds may, as stipulated in the Fund PPM, offset other expenses paid by the Fund's portfolio companies to HealthEdge and the general partner; provided, however, that the management fee for any quarterly period will not be reduced below zero.

### **Other Fees**

The limited partners of the Funds may pay additional expenses such as, but not limited to, all liabilities and obligations related to leverage, legal counsel, accountants, management and technical consultants, general expenses relating to operations, annual audit fees, bank charges, travel, due diligence and other possible out of pocket expenses of the general partner and HealthEdge. This does not include all possible expenses which are explained in detail within each Fund's PPM.

### **Fees Paid in Advance**

Given the fact that management fees are not paid until commencement of a closing, there are no refunds made to the investors.

## **Performance-Based Fees & Side-by-Side Management**

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### **Sharing of Capital Gains or Capital Appreciation**

The general partner for each Fund is subject to carried interest which is based on the total distributions of the Funds. Typically, the general partner receives the carried interest after specified hurdles have been met. HealthEdge believes the carried interest paid to the general partner can better align the interests of the investors and HealthEdge. The carried interest

waterfall is disclosed in the PPM of the Funds. See the section entitled Other Financial Industry Activities and Affiliations for more information on the general partner and the relation to HealthEdge.

## Types of Clients

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### Description

HealthEdge only provides investment advice to Funds. The investors of each Fund must meet specific financial requirements. Investment within each Fund generally is open to sophisticated institutional and non-institutional investors, including pension, endowments and other funds subject to ERISA.

### Account Minimums

Each investor will be required to invest not less than \$500,000. Lesser amounts may be accepted at the sole discretion of the General Partner.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

The investment and disposition decision of each Fund is led by an Investment Committee. The Investment Committee is further supported by a skilled group of professional and operating partners chosen by the principals of the Firm, so long as a majority of the Investment Committee consists of principals and senior management of the Funds' general partner.

The operating partners serve either on the board, or in operational and managerial roles of the underlying portfolio companies of the Funds. The operating partners are an independent active group of senior executives who have had highly successful careers in the services sectors that HealthEdge targets. They are not compensated by HealthEdge and may invest directly within the Funds.

HealthEdge employs a disciplined and consistent process to source, screen, evaluate, and make decisions regarding investments.

### Sourcing Portfolio Companies:

HealthEdge seeks investments across three primary areas of the healthcare market: healthcare services, specialty products/devices, and supply chain/third-party services. To identify portfolio companies, the following sourcing initiatives may be utilized:

- Direct sourcing
- Trusted and personal and business relationships
- Attending/sponsoring merger and acquisition and healthcare conferences

- Distributing press releases and email blasts announcing deals
- Public speaking
- Referrals/leads through brand development

Of the approximately 500+ deals sourced annually, about 50 go through a formal review process.

### Screening and Due-Diligence Process:

All sourced investments must first pass a screening process to filter those that fit within each Funds' investment criteria taking into consideration the merits of the investment as well as the principal risks.

Once a portfolio company has passed the initial screening, a letter of intent is executed with that company to undertake an extensive, comprehensive and objective due diligence to ensure all material risks and opportunities are identified and evaluated. During the course of the due-diligence review, HealthEdge meets bi-weekly to review each potential company.

### Investment Approval:

All final investment and disposition decisions are made by the members of the Investment Committee, with a requirement that it be unanimous approval by the principals and approval by majority of the members. Prior to funding the portfolio company, HealthEdge develops a post-investment strategy, including by means of a 100-day plan for action and initiatives to commence shortly after funding.

### Investment Strategies

Each of the Funds will focus on investing in under-managed, under-resourced, or under-valued lower middle market companies in sub-sectors of the healthcare industry with enterprise values of between \$10 million and \$100 million. The six key elements to the Funds' investment strategy include:

- Focus on lower middle market healthcare companies
- Invest in attractive, underserved segments of healthcare
- Transform under-managed/under-resourced businesses
- Provide a unique depth and breadth of operational expertise
- Employ limited use of leverage for platform acquisitions
- Utilize downside protection structuring

### Risk of Loss

An investment in any of the Funds is a speculative investment and is not intended as a complete investment program. Such investments are designed for sophisticated persons who are able to bear the high degree of risk. Investors may lose all or a portion of their investment. There is no assurance that the Funds will achieve their investment objectives. Some adverse events may be more likely than others and the consequence of some adverse events may be greater than others. Prior to making an investment in any of the Funds, prospective investors



are advised to carefully consider all the information and evaluate the risk factors set forth in the Funds' PPM.

## Disciplinary Information

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HealthEdge does not have any reportable information.

## Other Financial Industry Activities and Affiliations

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### **Material Relationships or Arrangements with Financial Industry**

Related parties of the Firm act as General Partner to the Funds managed by HealthEdge.

## Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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### **Code of Ethics**

HealthEdge has adopted a Code of Ethics ("Code") in adherence to Rule 204A-1 of the Investment Advisors Act of 1940. The Code contains among other things:

- a standard of conduct and fiduciary responsibility
- requirements to abide by federal securities laws
- provisions to detect improper personal trading
- provisions to detect and prevent insider trading

A copy of our Code is available upon request using the contact information found on the cover page of this brochure.

### **Invest in Same Securities Recommended to Clients**

Members of the Firm may invest as limited partners within the Funds, to better align our interests with those of our investors.

### **Personal Trading Policies**

As stated in our Code, reporting is required for personal trade activity, which in turn is reviewed by the Chief Compliance Officer.

# Brokerage Practices

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HealthEdge provides capital to healthcare companies and therefore does not generally conduct securities transactions through broker dealers. However, the Funds may invest in publicly-traded securities. To the extent the Funds make such an investment, these transactions would be conducted with the use of a broker dealer.

## Review of Accounts

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### Periodic Reviews

The Funds and their portfolio investments are reviewed at least quarterly by the Investment Committee comprised of the principals Brian Anderson, Phil Dingle, Jeff Thompson, and Scott Heberlein.

### Regular Reports

Investors of each Fund shall receive the following:

- Annually, audited financial statements and tax information necessary to complete each limited partner's personal tax return
- Quarterly, unaudited financial statements
- Quarterly, computation of management fee

## Client Referrals and Other Compensation

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### Third Party Placement Agents

HealthEdge does have an agreement with a third party placement agent who receives compensation directly from HealthEdge for introducing clients to the Funds. The compensation paid to the placement agent is based on a contingency basis upon bringing in a limited partner. There is an agreement in place for the placement agent.

## Custody

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HealthEdge does not have physical custody. However, in the related party's capacity as General Partner to the Funds, HealthEdge is considered to have custody. The Funds are audited annually by a PCAOB registered independent accounting firm and the audited statements are provided to each investor of the Funds within the required 120 day window following the Funds fiscal yearend.

# Investment Discretion

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## Discretionary Authority

HealthEdge has full discretionary authority over the Funds. Our investment discretion is exercised in a manner consistent with the Funds' subscription agreements and PPM. Limited partners generally may not place any limits on our authority beyond the limitations set forth in the applicable subscription agreements and PPM.

# Voting Client Securities

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HealthEdge does not currently invest in public companies and therefore does not vote proxies for the Funds. To the extent the Funds hold a public investment, HealthEdge would vote proxies for the Funds.

# Financial Information

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HealthEdge does not receive over \$1,200 in fees six months in advance and therefore is not required to provide an audited balance sheet.

HealthEdge is not subject to any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.